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Iran Report Portrays Pattern of Deception



senator David L. Boren discussing the panel report on the fran-contra affair.

LATE NEWS Reagan Backs

Supercollider' WASHINGTON (AP) -President Ronald Reagan will seek funds from Congress to build the \$6 billion nuclear particle, accelerator known as a "supercollider," Energy Secretary John S. Herrington announced Friday.

Proposents of the machine say that it the European CERN

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Pages 5 & H

Test PRACT

consortimes goes ahead with plans to build a similar acceler-ator and the United States does not the widd's top physics rescarchers kimost certainly would flock to Europe.



A Zhou dynasty bell, a "blockbuster" from James Lally's new gallery sale. Souren Melikian reports, Page 6.

BUSINESS/FINANCE Sweden imposed a price freeze on most goods and ser-vices. Page 7.

Reagan Aides Were At Odds

By David E. Rosenbaum

WASHINGTON - A report on the Iran-contra affair made public by the Senate intelligence commit-tee portrays Reagan administration officials as regularly deceiving one another, and Congress, about main elements of the operation.

The report, released Thursday, cites evidence that President Ron-ald Reagan was reinvestly interest.

ald Reagan was primarily interest-ed in trading arms for the release of At least seven federal inqui-ries into the Iran-contra affair are being conducted. Page 3.

hostages and reveals that some profits from the sale of arms to Iran may have been used by an Israeli official for "other projects." It does

not specify those projects.

It also cites evidence that some profits from the arms sales were eposited in bank accounts controlled solely by Richard V. Secord, a retired air force major general, and two retired officials of the Central Intelligence Agency, apparently for the benefit of the rebels in Nicaragna. None of the three men are now in the government. Before now, it had not been known exactly who controlled the accounts.

The 65-page document, in the form of a chronology beginning in early 1985 and continuing through this month, draws no conclusions. It was based on a three-week investigation by the Senate intelligence panel under Republican leadership last month. The investigation included testimony from 36 witnesses and the examination of thousands of pages of documents from the

White House and other agencies. Earlier this month, the panel voted not to release a report that had been prepared by the Republican

When Democrats gained control of the committee with the beginning of the new Congress, the panel "started afresh" and prepared the document released Thursday, according to the chairman, Senator David L. Boren of Oklahoma.

The report does not introduce new persons or dramatic new episodes. But it provides a fuller description and more details of the events than earlier drafts.

Colonel Oliver L. North and Vice gust 1984. Admiral John M. Poindexter had

Late Thursday, the committee voted, 17-1, to publish the report. Mr. Boren said it would be used as a foundation for a more extensive inquiry this year by the special Senate committee that has been appointed to investigate the entire affair. A companion House committee is conducting a parallel

investigation. The report cites evidence, how-ever, that disputes Mr. Reagan's contention that the principal purpose of the arms deals was to open a strategic relationship with "moderate" officials in Iran. The document says Mr. North,

who directed both the arms shipments and the aid to the contras, See IRAN, Page 5



President Pieter W. Botha stood to attention at the opening of South Africa's Parliament in Cape Town on Friday.

Pretoria's Envoy to U.K. Quits, May Seek Election

JOHANNESBURG - Denis tion, Worrall, South Africa's ambassador to Britain, has resigned, the whether Mr. Worrall would run as government said Friday. There an independent candidate in the were reports that he would chalin the May 6 partiamentary elections announced Friday by President Picter W. Botha.

The Progressive Federal Party.

Cape Town, also warned nations that have supported sanctions against South Africa that he would reconsider both the "content and direction" of his country's relations

The resignation of Mr. Worrall was announced by Foreign Minister R.F. Botha. He said that the ambassador "has asked to be re-Mr. Boren stressed that the doc- heved of his duties," adding: "I ument was "preliminary" because agreed." Mr. Worrall, 48, has been important figures like Lieutenant ambassador to Britain since Au-

In London, Mr. Worrall said he refused to testify, citing their con-had resigned to return home and stitutional right against self-in-"re-enter national life," but he "re-enter national life," but he made no comment on whether he will run against the governing National Party that he has long sup-

"In particular, I believe that this is a time for bridge-builders within all communities in South Africa to make themselves heard," Mr. Worrall said in a statement

The Cape Times newspaper reported that Mr. Worrall, among the strongest supporters of racial re-form in President Botha's National Party, was considering running against the party in the forthcoming elections, in which only white voters will participate.

Mr. Worrall, the newspaper said. was increasingly dissatisfied with the lack of concrete initiatives toward reforms in South Africa's policy of apartheid, or racial segrega-

dent Picter W. Botha.

Mr. Botha, announcing the elections in an address to Parliament in the white chamber of Parliament, and the far right Conservative Par-See ENVOY, Page 5

By Peter Maass

BRUSSELS - The European

Community and the United States.

after narrowly averting a trade war

over American grain exports, are

bracing for hostilities on other

Instead of opening a new period.

agreement reached Thursday after

acrimonious negotiations appears

to have fucled anni-American bit-

terness in the EC — notably in France, Greece and Spain. This

could increase the chances of dis-

putes emerging over such issues as aircraft subsidies, experts say.

"We're going into a period of more puglistic trade policy," a U.S. diplomat said. "The Europe-

ans are going to be combative and

night within the EC during talks to

cooperation, the compromise

onal Herald Tribune

Deficit In Trade

December Total Fell but 1986 Remains Record

Compiled by Our Staff From Dispatche WASHINGTON — The U.S. merchandise-trade deficit narrowed sharply in December as the nation trimmed its appetite for imports, but the shortfall for all of 1986 widened to a record \$169.8 billion, the government reported

The Commerce Department said

plus soared last year. Page 7. The dollar firmed in Europe on U.S. trade news. Page 11.

that imports for the year rose percent from 1985, to \$387.1 billion, while exports increased only 2 percent, to \$217.3 billion. Although expected, analysts said the record shortfall for the year was

likely to strengthen calls in Con-gress for protectionist trade legisla-tion. They noted that the deficit with Japan, which widened to \$58.6 billion from \$49.7 billion in 1985, was the largest trade imbalance ever posted between two nations.

For December, the department said the trade deficit narrowed to \$10.7 billion from a record \$19.2 billion in November as imports fell and exports held steady. The figure, considerably better than most expectations, was the lowest deficit in nearly two years.

The sharply better monthly fig-ure reflected a fall in the value of imports, to \$29.1 billion from \$37.8 billion in November, the department said. Exports were virtually unchanged from a month earlier however, at \$18.43 billion.

Government and private economists expressed cautious optimism about the December figures, but warned that a rapid improvement

See TRADE, Page 5

Grain Quarrel Is Settled but Other Disputes May Emerge

two thirds of the quota.

EC-U.S. relations.

keep pushing."

the community has again given in to pressure from Washington.

Madrid resisted this clause, say-

ing it was excessive, and would

harm the interests of Spanish farm-

and Madrid backed down, but the

incident illustrated the extent to

which the grain battle has strained

Many trade experts said the no-tion of trans-Atlantic cooperation

has taken a beating in the dispute.

In the EC, they say, is a feeling that

An EC grain official complained



Rodrigo Ularte, a leader of the urban poor, raised an envelope of petitions as he shouted out demands for land reform at a rally attended Friday by President Corazon C. Aquino in the southern Philippine city of General Santos.

Philippines Will Purge

International Herald Tribune

government of President Corazon C. Aquino.

recommended that a special board of officers be set up to investigate and end "the reported destabilizing activities of some members" of the armed forces.

small percentage in the military

of world economic imbalances.

are causing the U.S. to pursue its

Meanwhile, the EC's Common

attack for being protectionist.

political lobbies, the experts say.

See EC. Page 5

to political intervention and other irregularities and abuses involving the armed forces during the rule of former President Ferdinand E.

tial. But he said he could not rule out the possibility of further attempts to destabilize the govern-

Aquino had not lost control of the been seen "moving around freely." armed forces and would firmly but did not say where. diosecule renera the president.

ratify the grain agreement. The that "the community always ends problem centered on the pact's up by accepting the will of the

guarantee that foreign merchants be allowed an annual quota of 2.5 million tons (2.3 million metric is damaging, some trade officials tons) of corn and sorghum exports say. Although they partly blame the United States, they say that the peace talks with the government. fairs adviser, also made it clear that

> General Ramos said he had ordered the arrest of Brigadier Gen-and other hostages would not be eral José Maria Zumel, two colo-released "until the dust elears" afnels, a major and "a few others," whose names were not released. General Zumel is a former super-

Agricultural Policy, which subsi-dizes overproduction of farm products, is coming under worldwide These pressures have forced each side into positions where they have training school. become more sensitive to domestic

ent military supporters of See MANILA, Page 5

Renegades in Military By Michael Richardson lion, which ended Thursday.

MANILA - Military leaders announced Friday that the Philippines armed forces would be purged of elements that were in-volved in the attempt to topple the

General Fidel V. Ramos, armed forces chief of staff, said he had

Both he and Defense Minister Rafael Ileto stressed that only a

We are cleansing the military because we inherited a military full of potholes from the Marcos regime," Mr. Ileto said in an interview with Reuters.

This was an apparent reference

Mr. Ileto said the officers and men implicated in the rebellion would be tried in open courts-mar-

were intended as a public assurance Associated Press quoted a militia that military leaders loyal to Mrs. leader as saying that Mr. Waite had

needed to put its affairs in order or Party of God, in a political tugbecause the armed forces might of-war between the militant Moshave to resume large-scale opera- lem group, which has close ties to tions against Communist guerrillas Iran, and Mr. Jumblat, AP report-

General Ramos and Aquilino Pi-

both military and political figures signs of softening, are symptomatic behind the attempt to seize control of key bases and communication which aggravate trade tensions. A hage trade deficit and budget gap centers in and around Manila would be prosecuted.

intendent of the Philippine Military Academy, an elite officer-

He and the two colonels are

Language Purists Turn a Deaf Ear To Growing Use of Spanglish in U.S.

By Lydia Chavez New York Times Service

NEW YORK - To many Hisganic New Yorkers, vacunar la car-need for new words. peta means to vacuum the carpet. The phrase would baffle their counterparts abroad, however, since by most dictionaries it translates into "to vaccinate the portfo-

Spanglish, the literate cry. But members of the little known North American Academy of the Spanish Fanguage say Spanglish does not exist. There is no separate language, they argue, merely people who speak Spanish and English hadly.

one of 22 academies in the Spanish-speaking world that are keepers of the impunge — was formed in New York in 1973. It is the youngest participant in a tradition that began in 1713 when King Philip V established the Royal Spanish Academy to "cultivate and to set standards for the purity and elegance of the Castilian tongue."

The 22 academies meet jointly every four years; the next meeting will be in 1988. Between these larger meetings, the North American academy, comprising 41 professtore, linguists and authors, meets inguistic trends and to collect

words for the Spanish dictionary. The North American academy represents the fifth largest Spanishspeaking country and the most diverse. Moreover, with much of the to describe a carpet was unaccept- the Spanish word for boiler.

has become useful in foreseeing the Although more tolerant of An-

glicized Spanish than some of their Latin American colleagues, the

Language is in continuous revolution, and we must recognize the changes imposed by the way people speak.'

- Eugenio Chang-Rodriguez, Academy member

U.S. academy members are far from liberal.

"Language is in continuous revolution, and we must recognize the changes imposed by the way people Queens College and a member of

world's new technology developed able, because Spanish already has a in the United States, the academy word for it — alfombra. Moreover, even after a word has

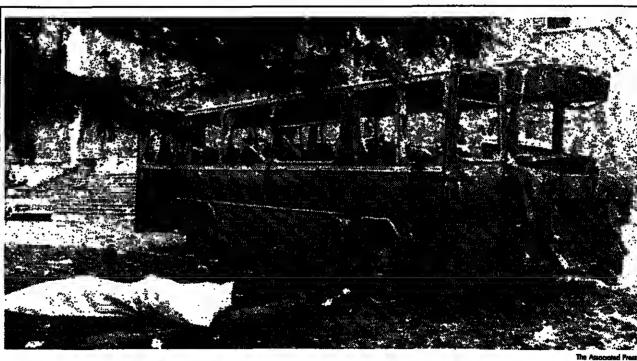
permeated the Spanish-speaking world, the academy waits to see if the word will survive the test of "It usually takes decades," Mr.

Chang-Rodriguez said.
Often, Anglicized words develop from necessity, said Theodore Beardsley, president of the Hispanic Society of America. It was not until 1956, Mr. Beardsky noted, that Spain included a word for steering wheel in its official dictionary. By then, he said,

it was too late to impose volunte over the handful of other words that had been created throughout the New World. While most of the very obvious aberrations of the language are heard on the street or seen in badly translated advertisements, Mr.

Chang-Rodriguez said, he is most outraged when Anglicized words creep into the speech of educated Lately, he said, at some of New York's most cultured Hispanic tables, he has heard, aplicación, used to denote application instead of the

Spanish word solicitud. The Spanish spoken in New York, Mr. Beardsley said, stems in speak," said Eugenio Chang-Ro-driguez, a professor of Spanish at Caribbean Spanish. He noted that the warm native climate, for example, precludes familiarity among He noted, however, that carpeta some Dominicans and Cubans with



Some compromises were offered trade rights more aggressively.

Police said Basque separatists were responsible for the bomb attack Friday on this military bus in Zaragoza, Spain.

Military Bus Bombed in Spain; 2 Dead, 39 Hurt

ZARAGOZA, Spain — A car bomh destroyed a military bus in the central Zaragoza on Friday, killing an army major and the civilian driver and wounding 39 persons, the

police said.
Police said they suspected that Basque separatists were responsible for the bombing About 200 pounds (90 kilograms) of explosives in the car went off when the bus, carrying instructors to the Zaragoza Military Academy, drove by during the morning rush

The explosion ripped through the front

and side of the bus, killing the driver, Angel Ramos, 46, and wounding all 24 officers and enlisted men aboard the vehicle. Major Manuel Rivera, 45, died later in a hospital.

Doctors said six persons, five of them military officers, were in serious condition with The attack sent shrapnel and glass flying up to 250 yards (230 meters) away, wounding

16 passers-by and a blind 60-year-old woman selling lottery tickets. Interior Ministry sources in Madrid said they believed the attack was in retaliation for

ETA has suffered in Madrid and the Basque region. ETA, the Spanish acronym for Basque

setbacks that the Basque separatist group

Homeland and Freedom, needed to show its strength after police captured nine suspected members of its Madrid Commando organization this month, the sources said.

The Madrid Commando staged two car bomb attacks in the Spanish capital last year. killing 17 paramilitary civil guards.

Military officials said it was the first guerrilla attack in Zaragoza in seven years.

Waite Said to Be **Tricked**

Militia Official Says Envoy Is Now a Hostage

BEIRUT - A senior Lebanese that Terry Waite, the Anglican envoy who has been trying to negou-ate the release of Western hostages in Lebanon, had been kidnapped by the captors of the foreigners he

sought to free.
The militia official said: "My information is that Waite will not be returning, as he is kidnapped. He has been added to the list of hostages." The official asked not to be identified.

Mr. Waite has not been seen since he left the Riviera Hotel in West Beirut on Jan, 20. From his arrival in Beirut on Jan. 12 until then he had been escorted by militiamen loyal to the Druze Moslem chieftain, Walid Jumblat. According to his escort, Mr. Waite had

asked to be left alone.

The militia official said that Mr. Waite became a hostage "the day he left without his bodyguards. That was the trick they played, be-cause they had planned for him not to return and did not want the bodyguards to know where they

In Tunis, meanwhile, a senior Palestine Liberation Organization official said that \$2 million was release of David P. Jacobsen, an American who had been held hostage in Lebanon for 17 months. Salah Khalaf, better known as

Abu Iyad, said that the money was paid in cash by Mr. Waite. Mr. Khalaf is a close aide of Yasser Arafat, the PLO chairman.

The Lebanese weekly magazine Ash-Shiran, which disclosed the U.S. arms sales to Iran in November, said that Mr. Waite was under house arrest and possibly kid-

Earlier, several sources said that Mr. Waite had been seen in Leha-Analysts said the statements non's eastern Bekaa Valley. The

In Washington, diplomatic sources said that Mr. Waite was They said the military urgently being held by the Shiite Hezbollah, soon. The Communists announced ed. The sources said Mr. Waite had Friday that they were breaking off undertaken his latest mission at the

suggestion of Mr. Jumhlat.]
Before his disappearance, Mr. mentel, Mrs. Aquino's national af- Waite had held face-to-face meetings with Islamie Jihad, which is holding hostages and demanding the release of 17 prisoners jailed in Kuwait for their part in a series of 1983 bomb attacks there.

Ash-Shiraa quoted political sources as saying that Mr. Waite ter the latest Gulf War offensive by Iran toward the Iraqi city of Basra. It said Mr. Waite was seized when the kidnappers detected U.S. military preparations for a strike

against them and the countries supporting them. The magazine quoted sources "close to the issue of the hostages." In Tunis, Mr. Khalaf said of Mr. Jacobsen's release: "The money was paid through Waite in cash." . He said that the cash did not come directly from the U.S. government

but that American companies contributed to a fund intended to be

used as ransom money. Separately, two bombs exploded in the Christian and Moslem areas of Beirut within minutes of one another Friday. Six persons, including an 8-year-old boy, were killed and several were injured in Christian East Beirut, There were

See WAITE, Page 5

Israelis Report **Soviet Contact**

TEL AVIV - The Israeli and Soviet ambassadors to the United States held secret talks in Washington this week on Jewish emigration and a Soviet role in Middle East peace talks, Israel Radio said Fri-

The Israeli Foreign Ministry declined to confirm or deny the report. Israeli and Soviet officials held a widely publicized meeting in Helsinki in August to discuss renewing consular ties but it broke down after only 90 minutes.

The latest report added to signs that Moscow is reviewing its policy toward thousands of "refuseniks" - Jews whose requests to emigrate to Israel have been rejected. Foreign Minister Shimon Peres said this week that Israel would only accept a Soviet presence at a Middle East peace conference if Moscow restored diplomatic relations with Israel, which were broken off after the 1967 Middle East war. and ended discrimination against

2 Dissidents in Soviet Will Be Freed, Forced to Leave, Sakharov Says

By Bill Keller

New York Times Service MOSCOW - The Soviet authorities have said that two prominent human rights campaigners, Anatoli Koryagin and Sergei D. Khodorovich, will be released from prison and forced to emigrate, ac-cording to Andrei D. Sakharov.

Mr. Sakharov, the dissident physicist, said Friday that the KGB, the Soviet internal security agency, had called in the wives of the two men and told them their husbands would be freed if the families agreed to apply for exit

Both men were among 14 "prisoners of conscience" whom Mr. Sakharov had urged Mikhail S. Gorbachev, the Soviet leader, to free when Mr. Sakharov was allowed to return to Moscow from internal ex-

tyana, confirmed the report Friday and said that both she and her husband had reluctantly agreed to

leave the country.
Western diplomats said the news appeared to be part of a broader acceleration in Soviet handling of dissident cases, including the unexpected release in recent days of at least four lesser-known dissidents and promises of drastic changes in the criminal laws governing political activities.

They cautioned, however, that in the past Soviet officials have sometimes told relatives that prisoners were to be released and failed to follow through. The wife of one leading dissident, Anatoli T. Mar-chenko, was invited to apply for emigration papers in December shortly before officials disclosed that her husband had died in pris-

Mr. Khodorovich, 45, was director of a fund to aid political prisoners, It collected money from for-eign and Soviet donors to help dissident families with travel expenses, child support and other

In 1983, he was charged with "slandering the Soviet state" and was sentenced to a labor camp in the northern Siberian town of Norilsk. Mr. Sakharov said that Mr. Khodorovich's health had deteriorated from frequent beatings and

long terms in an isolation cell,
Dr. Koryagin, 48, a psychiatrist,
was accested in 1981 for smuggling
to the West reports on use of Soviet mental hospitals to punish political and religious dissidents. He was sentenced to seven years of labor and five years of internal exile for ting "anti-Soviet propa-

Another prisoner on Mr. Sakhar-

Gunmen Kill

Wife of Irish

Guerrilla

science," a former navigator, Serafim Yevsyukov, was recently released from a psychiatric hospital where he had been confined for protesting the refusal of Societ anthorities to let his family emigrate.

In Vienna, the Soviet justice minister, Boris V. Krzytsov, said Friday in a press conference that the Kremlin planned "radical measures" to alter two criminal statutes that have frequently been used against dissidents.

According to a Renters report from Vienna, Mr. Kravtsov said the statutes, dealing with "anti-Soviet propaganda" and "slandering the Soviet state," were being reviewed in accordance with a decision by the plenary meeting of the Soviet Communist Party Central

"Radical measures will be taken Mr. Khodorovich's wife, Ta- in this particular area," he said. He was apparently referring to a party resolution issued Wednesday that called for new laws aimed at "safeguarding the rights and free-doms of citizens."



VIOLENCE IN PAKISTAN — A policeman pursues rioters in the Orangi district of Karachi, Pakistan, where police said Sunday at least eight persons had died and demanded the release of Afaq Shabid, a Bibari leader.

Student's Slaying Puts Chun on Defensive

By Clyde Haberman

New York Times Service SEOUL — In life, 21 years of it, Park Jong Chul barely had time to make his mark. Death made him a

Mr. Park, a student at Seoul National University, died two weeks ago while being questioned by po-licemen about the whereabouts of a campus radical leader.

He died of shock, authorities initially said. Then, as questions arose in the press and as an attending physician reported contradictory findings, authorities acknowledged that the young man had been tor-

The policemen had shoved his head several times into a tuh of water. In one of those dunkings, the government said, Mr. Park's throat was crushed against the rim of the tub. He was suffocated.

Torture cases in South Korea are not new. For decades, international human-rights occanizations have accused successive regimes, including the government of President Chun Doo Hwan, of abuses.

However, to have the suspicion confirmed through a well-publicized death is rare, and the killing of Mr. Park has rearranged the South Korean political landscape, galvanizing the splintered opposition and putting Mr. Chun on the

mit, for the first time in a political case, that its policemen had be-haved brutally. Although officials insisted that it was an isolated episode, Mr. Chun recognized that he

was in trouble and had to act.

The two policemen involved were charged with murder, a move that contrasted with the response last year when an officer was accused by dissidents of raping and otherwise "sexually torturing" a young woman arrested for antigovernment activities. That policeman was dismissed but never charged.

As protests over the Park incident mounted, Mr. Chun went further. He expressed personal regret, dismissed the home minister and the national police chief and ordered the creation of a special commission to protect the rights of

His new home minister, Chang Ho Yong, announced that police would be prohibited from taking ing warrants, an acknowledgment that officers had ignored legal procedures in the past. Government officials talk hope-

fully about how those moves have defused the crisis.

added, "It's now becoming less and New Korea Democratic Party's huless of a lively political issue." Others are not so sure, and considerable skepticism about govern-

ment sincerity remains. One consequence of Mr. Park's killing is that the country's fettered press has found new boldness. Although there have always been

editors who tried to test the limits of government tolerance, a few have stretched the boundaries further than ever lately, printing de-tails not only of this incident but of other suspicious cases as well.

The newspaper Joong-ang Ilbo reported at length this week about two students and a labor organizer who died over the last 15 months under what opposition politicians have called mysterious circum-

All three had been missing for a while, the newspaper reported. Lat-er, their bodies were discovered bearing signs of physical abuse. In people into custody without ob- all three instances, the police said taining warrants, an acknowledge that the victims had committed sui-

The opposition and humanrights groups say the government is holding more than 1,500 political prisoners, a figure that has risen We have to make use of this dramatically since the beginning of opportunity to expand human a new drive against radicals last rights," said Let Jong Ryool, a fall.

Park Chan Jong, head of the man rights committee, has charged that 238 people were illegally detained without warrants between October and mid-January, and that all were tortured.

Independent confirmation of

for the broader charge that the gov-

the torure episode was "not inci-

"This case," he said, "raises fun-

damental questions about whether

this regime is based on human con-

For anti-government politicians, the torture issue offered a rallying

point at a time when they were

seriously divided over how to press

for changes in the way South Korea

ty had produced no real progress.

prime minister, while the opposi-

That is the core political dispute

chooses its national leader.

science and morality, or guns."

New York Times Service NEW DELHI - India and Pakistan continued high-level talks specific accusations is difficult. However, South Korea's Roman Sunday simed at easing mutual tensions, but neither side appeared Catholic leader, Cardinal Stephen willing to halt large troop move-ments along the border that have Kim Sou Hwan, has voiced support spread alarm in both countries in ernment practices torture. Speakthe last two weeks.

ing Monday at a memorial service for Mr. Park, the cardinal said that substance of the discussions.

At issue are military maneuvers along a 250-mile (404-kilometer) section of the Pakistan border with northwest India. Recent buildings are reported to involve about 150,000 men on the Indian side and at least half that number on the

here, but months of jockeying by the New Korea Democrats and the In some cases, the troops are said governing Democratic Justice Parto be within sight of each other, raising fears that an accidental shot Mr. Chun's camp insists on an could lead to lighting despite pledges by each side not to start a conflict. indirect cabinet system headed by a

tion demands direct presidential three wars since their independence in 1947 and continue to trade angry

time through Monday.
Indian and Pakistani officials radar and electronic equipment say that neither country can afford from within the radar building. But a war, and that none of the disputes say that neither country can afford is sufficient cause for war.

on this was not yet clear. The United States says the radar violates the ABM treaty and has asked the So-Pakistan's in numbers and weaponry, and most analysts say that India would probably win a war. Many Pakistani analysts agree, and cite this as a reason Islamabad would not want to provoke a conflict.

Gandhi's Driving

NEW DELHI -- Prime Minister Rajiv Gandhi, a former commercial pilot, drove his Mercedes so fast through central New Delhi that his escort car was involved in an accident and the driver was injured, Sun-

Sunday Mail said the accident occurred Friday when Mr. Gandhi was late for a public ceremony. The reports said he was driving 72 miles per hour (120 kilometers per hour) and then suddenly slowed, forcing one of his escort cars to run into a curb in order to avoid hitting the prime minister. The driver was bruised and the escort car

fifth time that Mr. Gandhi's secarrity cars had been involved in accidents because of the 42year-old prime minister's driving. "Gandhi's speeding and in-sistence on driving his own vehicle is a constant nightmare to his security staff," The Mail

Pakistanis Hold Talks In New Delhi

An Indian spokeeman said Satarday evening that the first talks, lasting four and a half hours, were held in a frank, businesslike and cordial atmosphere, and promoted better mutual understanding." But he declined to comment on the

Pakistani side.

India and Pakistan have fought charges on a variety of issues.

Taking part in the talks Saturday were delegations led by Abdus Sat-tar, the Pakistani foreign secretary, and Alfred S. Gonsalves, officiating foreign secretary for India. The discussions are scheduled to con-

Causes Accident

day newspapers reported. The Sunday Observer and

badly damaged, they said. The Observer said it was the

U.S., Soviet to Discuss Treaty Limits On Developing Defensive Systems

Mary McGlinchey

to Northern Ireland for trial.

DUNDALK, Ireland — Two gunmen shot and killed the wife of a jailed Irish nationalist guerrilla as she was bathing her 9- and 11-yearold sons, the police reported.

The men entered through the back door of Mary McGlinchey's home Saturday night, went upstairs and shot her in the head, police said. Neighbors, who heard gunfire aod screaming, found Mrs. McGlinchey, 29, slumped over the bathtub, the police said.

Police roadblocks were set up around Dundalk, which is near the border with Northern Ireland.

Dominic McGlinchey, 32, a former chief of the Irish National Libof the Irish Republican Army, was convicted in March of shooting at with the killing of a 63-year-old woman in 1977. The conviction was eration Army, a Marxist offshoot year term at Portlaoise prison in

The Irish Republican Socialist Party, the political wing of the Irish National Liberation Army, said in a statement Sunday that Mrs. McGlinchey's killers belonged to a breakaway faction of the group. It described them as "pro-British

The Irish National Liberation Army came to prominence in 1979 when it claimed responsibility for killing a British member of Parliament. Airey Neave, in a car bombing at the House of Commons.

On Jan. 20, at a hotel in Drogheda. 20 miles (32 kilometers) south of Dundalk, two gummen shot and killed two men linked to the Irish National Liberation Army. The group claimed responsibility for the attack.

A few days afterward, unconfirmed reports quoting sources close to the group's leadership indicated that the organization had been divided by serious feuding.

Mr. McGlinchey was quoted by a Dublin newspaper in 1983 as say-ing he had killed 30 persons since 1972 and taken part in about 200 bombings and shootings in North-Once the most wanted terrorist



Send detailed resume

PACIFIC WESTERN UNIVERSITY 600 N. Seputveda Bivd. Los Angeles. California 70047, Dept. Zi. U.S.A.

By Michael R. Gordon space weapons and space tests are banned by the ABM treaty. Although Soviet officials have New York Tunes Service WASHINGTON - American other officials said the intelligence on this was not yet clear. The Unitproposed a strict interpretation of and Soviet negotiators have agreed

in Geneva to set up a special workng group to discuss what research,

dministration officials say. The move by the negotiators has been vigorously opposed by the Defense Department, which has ar-gued that the United States should

not take part in such a group. Richard N. Perle, an assistant secretary of defense, assailed the suspect in Britain and Ireland, in move to set up the working group 1985 he became the first such susin a meeting Thursday, officials said. The session was attended by Max M. Kampelman, the chief pect to be extradited from Ireland

He was sentenced in Belfast to American arms negotiator, who has returned from Geneva. In a related development, Yevgeni P. Velikhov, a vice president of the Soviet Academy of Sciences, met with Paul H. Nitze, an adviser land in October 1985 to face on arms control issues to Secretary

the treaty, the Reagan administra-

tion has said it has the right to development and testing are aladopt a loose interpretation that
lowed for defensive systems by the would allow extensive testing of 1972 anti-ballistic missile treaty, new types of space-based systems such as the Strategic Defense Initiative. Some administration officials

say they believe that the differences between the two sides on this question will ultimately have to bridged if an arms agreement in Geneva is to be reached. But other administration officials say the United States should not compromise on the issue.

The dispute over procedures in the Geneva talks takes place amid important developments concerning the ABM treaty and defensive systems. Government experts are assessing intelligence reports, for

example, that the Soviet Union may be dismantling part of its disputed early warning radar at Kras-noyarsk in central Siberia.

vict Union to dismantle it. ■ NATO Leaders Criticized Mr. Perle sharply criticized Eu-

ropean leaders oo Sunday as nealy-mouthed" in expressing their opinions on world security issues, The Washington Post reported from Munich His remarks, aimed at leaders of

the North Atlantic Treaty Organization, provoked angry rebukes from representatives attending a defense conference here. Michael Alexander Britain's

representative to NATO, said, There is no point in being gratuitously offensive with each other." Mr. Pede, in a speech before

more than 150 officials att charges stemming from a gun batthe with the police who captured and American officials said they im in County Clare on March 17.

American officials said they had discussed the question of sethad discussed the question of setting up discussions on what kind of signs that the Soviets might be reing out on the issues.

Bonn May Buy, Destroy Radioactive Milk

By John Tagliabue
New York Times Service

BONN - West Germany's minister for the environment. Walter Wallmann, has suggested that the Bonn government is considering disposing of 3,000 tons of radioactive powdered milk as contaminated waste and compensating its The milk, which is under police

lo an interview with the Ham- animal or human consumption.

Chernobyl nuclear accident. According to Bremen bealth officials, samples of the milk had radi-

mit a maximum radiation level of hold of the Christian Social Union, 370 becquerels per kilogram in the most conservative wing of the and made light comedies during the milk and dairy products for haman milk and dairy products for namen
consumption. The becourer is a
standard measure of radioactivity.

A squabble developed among
several West German states last

Charles for namen

A standard measure of radioactivity.

A squabble developed among states last

A squabble developed among several with the standard measure of radioactivity.

A squabble developed among states last timed for purchasers in Egypt, and in 1946. The couple divorced, and

A student of Marcel Dupré, years and, for 20 years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at this home nere after a long years, professor of may at the long that the long is long to the long that the long is long to the long that t

owned by a company named Lopex Export. The owner of the milk in Cologne has not been identified. l'ests of the powder in Cologne showed radiation levels of about gnard in rail yards in the northern 2,400 becquerels, the police said. cities of Bremen and Cologne, has become an embarrassment for the Bonn government after evidence of Rosenheim, where it was stored emerged suggesting that it was to six months ago after Bavarian be exported to Angola and Egypt, health officials deemed it unfit for

burg newspaper Bild am Sonntag.

Mr. Wallmann said Saturday that
Bonn sought "a reasonable soluback to Bavaria. But Bavaria has Bremen and Cologne have detion" in disposing of the milk. The refused, arguing that it could be milk is from cows that ate grass mixed with animal feeds and safely contaminated by fallout from the sold for consumption by livestock. Some of the squabble is ex-

plained by politics. Bremen and an assistant to his brother Marc North Rhine-Westphalia, where and to Jean Renoir. As a young ation levels of nearly 6,000 bec- Cologne lies, are governed by enviquerels per kilogram when tested, ronsuent-minded Social Demo- the surrealist and Trotskyist move-European Community rules per- crats, while Bavaria is the strong- ments. Christian Democratic Party.

week after Bremen and Cologne an additional 1,000 tons, now in refused to release the milk for export, and officials in Bavaria, where the milk came from, refused to Angola.

an additional 1,000 tons, now in was to be shipped unchanged.

Officials of a milk processing company in Bremen that was supposed to mix the powder with safe

The Bavarian authorities reportcut with other animal feeds to acceptable radiation levels. But the police in Bremen said there was strong evidence the milk destroy contaminated crops.

posed to mix the powder with safe feeds said they knew nothing of The powdered milk in Bremen is early approved the sale of the milk such plans.

wheel by a company named Lopex powder in December after they re
West Germany paid hundreds of

crived assurances that it would be thousands of dollars to German farmers after the Chernobyl disaster to compensate for losses incurred when they were forced to

Yves Allégret, Film Director, Dies Ms. Signoret later married Yves organist and director of music at

PARIS — Yves Allegret, 79, a Montand. She died last year. film director and a leading figure in Among Mr. Allegret's most French films, died Saturday, his ed films were "Dédée d'Anv family said. The cause of death was

not announced. Mr. Allegret learned to direct as an assistant to his brother Marc man in the 1930s, he was linked to

Among Mr. Allegret's most not-ed films were "Dédée d'Anvers", "Une Si Jolie Petite Plage" with Gérard Philippe, "La Meilleure Partie," and "Les Orgueilleux." Edmund Pendleton, 86.

He directed his first film in 1941 composer and conductor who had lived in Paris since 1925, died Friwar. But his major works were so-

Organist and Composer PARIS (IHT) - Edmund Pendicton, 86, an American organist,

the American Church in Paris.

When the pastors of the church left before the German occupation of Paris in World War II, Mr. Pendicton kept the church open as lay reader until he was forced to flee in December 1941 to the south of

He was honored with many prizes for his choral compositions. most of them on religious themes, He was also director of the Choeur Philharmonique de Paris for 25 day at his home here after a long years, professor of music at the American College in Paris for 15 years and, for 20 years, music critic of the Paris edition of the New

WORLD BRIEFS

Blast Kills 4 Near Embassy in Kabul

ISLAMABAD, Pakistan (AP) — A car bomb exploded Sunday near the Indian Embassy in Kabul, Afghanistan, killing four people and

wounding others, Radio Kabul said. The broadcast did not say how many had been injured, but the United News of India news agency, in an unattributed report, said that 15 members of the Indian diplomatic staff and two Indian Airlines esuploy-

The Afghan leader, Major General Najibullah, visited the embassy and blamed the bombing on Moslem guerrillas. There was no immediate claim of responsibility, and Moslem guerrilla leaders based in Pakistan said they had no information on the bombing.

Some Spanish Students Halt Boycott

MADRID (Reuters) —A Spanish student organization has called off a boycott by high school pupils but said there would be more demonstrations this week against government education policy.

Leaders of Student Coordinator, one of two groups at the forefront of two months of unrest that has shaken the Socialist government, said Saturday they had decided to end the boycott because other methods would be more effective, though individual schools could continue stoppages if they wished.

The group said financial measures offered by Education Minister Lock.

The group said financial measures offered by Education Minister José Maria Maravall in talks Wednesday were inadequate, and that they would continue to press their demand for unrestricted access to universities, which Mr. Maravall rejects.

Leaflets Attack Romanian Leader

BUCHAREST (Renters) - Clandestine leaflets were distributed in the Romania capital recently urging the removal of President Nicolae Ceansean and calling for strikes, diplomatic sources said.

Diplomats from Western countries and some of Romania's Soviet blaffies said Saturday they had seen copies of two different 1 circulated before Mr. Ceanseach's 68th birthday Jan. 26.

The leaflets urged people to strike Jan. 23, but there were that they had any effect. Mr. Ceanseach has ruled Romania fa and is one of the world's last Stalinist-style leaders.

Barbie May Need Prostate Sur

LYON (UPI) — Klaus Barbie, the former Gestapo chief who was deported to France from Bolivia in 1983, may have to undergo surgery to correct urinary-tract problems that caused him to be hospitalized last week, his lawyer said Sunday.
Jacques Verges said after meeting with Mr. Barbie that if the condition requires surgery it should not delay the opening of Mr. Bar-bie's trial for crimes committed while he was the Lyon Gestano

chief from 1942 to 1944.

The trial of Mr. Barbie, 73, is tentatively scheduled for May or



Rhine Ship Collision Spills Fertilize

DORMAGEN, West Germany (AP) — Forty-two tons of fi-spilled into the Rhine River on Sunday when a Swiss tanker anchored freighter near here, authorities said. A freighter cre-

missing and presumed drowned. The Düsseldorf city government, which is responsible fo Domagen, a few miles upstream from where the accident of it had sounded the "international Rhine alarm" used it

chemical accidents along the river. The alarm was lifted at 4:30 P.M., but there was no es possible environmental damage to the river. In November, i trial accidents, including a fire at a warehouse in Basel, can

Acid Attack at Gaza School Injure

GAZA CITY, Israeli-Occupied Gaza Strip (AP) - Twelve P girls were injured Sunday when masked men entered Shauki High in Gaza City and sprayed them with acid, military sources said. In other violence, police said nine persons were wounded, one sily, it a bomb explosion on an Israeli bus on the coastal highway be

Haifs and Tel Aviv. Several reports said factions of the Pak. Liberation Organization claimed responsibility. In addition, Israeli military sources said an Israeli man shot. wounded a 20-year-old Palestinian in the town of Rafah in the Gaza \$ after youths attacked his vehicle with stones.

Sri Lanka Denies Accusation on Death COLOMBO (Reuters) - The Sri Lankan government denied Sunday accusations that security forces killed more than 200 civilians i.

an anti-guerrilla operation last week.

an anti-guerrilla operanon last week.

A spokesman for a group called the Crizzens' Committee said "it appears now that more than 200 people have been killed" in the attack on Wednesday in the castern district of Batticaloa.

The government said that only four civilians, as well as 23 Tamil guerrillas and 13 security men, were killed when commandos raided rebel hideouts at Kokkadicholai, about six miles (10 kilometers) southwest of Batticaloa. Batticalos. A spokesman called the accusations part of a "disinformation

For the Record

Brazil's 559-member constituent assembly, charged with drawing up a constitution to replace that written during the 21-year military dictatorship that ended in March 1985, met for the first time Sunday in

The Long Island Rull Road, the largest U.S. commuter line, was back in operation Saturday for the first time since a strike began Jan. 18. The line went back into service because of a 60-day cooling off period ordered by

More than 100 people were arrested in a weekend raid on a West Berlin bar where a group of West Germans had gathered, allegedly to form an illegal Nazi-style political party, officials said Sunday. Several policemen and a government lawyer were injured in the raid. (UPI)

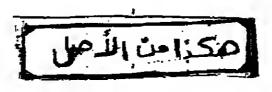
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Senators, Witness Clash on U.S. Drug Plan

By Bernard Weinraub New York Times Service

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WASHINGTON - In an unusual display of frustration and abandonment of decorum, two senators shouted down a Reagan administration spokesman at a hear-ing and attacked proposed cuts in anti-narcotics programs.

Because President Ronald Reagan and his wife. Nancy, have termed efforts to light narcotics a major priority, the administration's proposed budget cuts involving enforcement and education have come under special criticism within

However, the hearing Thursday of the Senate Appropriations Committee's Subcommittee on Labor, Health and Human Services and Education was marked by the most vocal attacks yet.

Senator Alfonse M. D'Amato, Republican of New York, told the ters, "For God's sake, get in the

Senator Lawton Chiles, Democrat of Florida, who is normally be spent?" asked Senator Chiles,



'You've got a national epidemic that is killing our youngsters, and I don't think that you have the slightest idea that it is taking place.'

— Alfonse M. D'Amato, senator from New York

tration's proposal to cut the funds vention and education. "You don't for narcotics education in 1988, by care. You don't give a rip. You administration witness, John Wal- one-half, to \$100 million. Congress don't think we count. Have you appropriated \$200 million for the ever read the Constitution? You don't think Congress exists." "Is that all the hell that needs to

don't think Congress exists."

A moment later, Mr. Walters, a low-keyed, grew red-faced when the chairman of the appropriations Education William J. Bennett, expand. Walters defended the adminisspecial assistant to Secretary of

"Why not spend \$400 million? Why not \$600 million?" Senator D'Amato responded,

"Don't tempt us."
He went on: "You've got a national epidemic that is killing our youngsters, and I don't think that you have the slightest idea that it is taking place. You know what this does? It sends the wrong message. It sends the message that we're not dealing seriously with this, that we're not acknowledging the problem. We ought to be ashamed of

The administration has proposed \$913 million in cuts in the 1988 budget for all law enforcement, prevention, education and treatment programs involving drugs. The administration's antidrug efforts over a period of several years originally called for more than \$3 billion.

Administration officials have defended the cut in funds for education, saying that the \$200 million for 1987 was used for "start-up activities" such as the purchase of materials. They said these would not have to be provided in later

AMERICAN TOPICS

Regional Orchestras Playing the Blues More U.S. symphony orcbes-tras are in trouble than at any time since the Depression of the 1930s, afflicted with strikes and lockouts, struggling to raise moncy and in some cases canceling seasons and even, in the case of the Oakland Symphony in Cali-

smaller regional orchestras are chiefly affected. The New York Times said orchestra officials and union negotiators cite a tough new climate in labor negotiations generally, greater difficulty in fund-raising caused in part by government and foundation cutbacks, and overly rapid growth in middle-level orchestras. The 16 U.S. regional orchestras in 1975 had grown to 39 a decade later.

fornia, goiog bankrupt. The

The rash of corporate take overs has burt. Catherine French, chief executive of the American Symphony Orchestra League, says, "If one corporation takes o for another, their two charlestes giving components become one charitable giving component, and one plus one does not equal two."

Some experts worry that the declining level of arts education will erode interest in symphonic an increased sophistication born of recordings has led to demands for a level of performance that small communities cannot afford.

Short Takes

Paul G. Kirk Jr., chairman of the Democratic National Commit-tee, moved a February meeting of the party finance council from Tucson, Arizona, to Newport Beach, California, to protest the cancellation of Arizona's observance of the Martin Luther King holiday on Jan. 19 by Governor Evan Mecham, a Republican. "The Democratic party is taking a stand against injustice." Mr. Kirk said. But Arizona Democrats were not pleased. Represen-tative Morris K. Udall called the switch an "overreaction." Sam Goddard, state Democratic chairman, said that in opposing the governor's stand, "we need support from the national party: instead it is interfering."

A mural will be painted soon in the U.S. Capitol building to honor the seven astronauts of the space shuttle Challenger who were killed when the shuttle exploded a year ago. The mural was jointly proposed by Senators Robert C Byrd of West Virginia, leader of the Democratic majority, and Bob Dole of Kansas, leader of the Republican minority.

Exactly half the offenders were known to their victims in 20 million cases of rape, robbery and

assault recorded from 1982 through 1984, the U.S. Justice Department says: 46 percent of the crimes were committed by total strangers, 31 percent by friends and acquaintances, 8 percent by relatives and 11 percent by persons known to the victims on sight. The remaining 4 percent could oot be classified.

Members of the symphony orchestra in Columbus, Ohio, manning the picket line.

The American Civil Liberties Union is running a petition cam-paign for the removal of Attorney General Edwin Meese 3d from office, accusing him of "attacks oo freedom of speech" and "failure to enforce the civil rights laws." Ari Korpivaara, the chief ACLU spokesman, told The New York Times that the response has been enthusiastic; About four

percent of the people contacted by mail had signed, or signifi-cantly more than the less than one percent who respond to simi-

Shorter Takes: "The intelligence process is often like a jig-saw puzzle," observes William E. Colby, former director of the Ceotral Intelligence Agency. That is, the picture becomes clear long before the last piece is in." • From the police log of the Winchester Star io Massachusetts, as reported in Road & Track magazine: "A Cross Street resident reported her own car as a suspicious vehicle parked in the

- ARTHUR HIGBEE

U.S. Agencies Push Contra Inquiries As Reagan Urges New Aid for Rebels Presses Plan

By Philip Shenon

WASHINGTON - Several federal agencies are pressing on with at least seven criminal investigations of the Nicaraguan rebels and their American backers, even as President Ronald Reagan is urging Congress to provide new aid for the

. A review of the investigations has uncovered several previously undisclosed --- and so far unproved - charges involving the contras as well as investigations that had not been previously known.

For example, coogressional sources disclosed in recent days that the Federal Bureau of Investipation had opened a criminal investigation to determine what happened to most of the \$27 million for nonictual supplies for the rebels that Congress approved in 1985. A General Accounting Office report published earlier said most of it could not be traced.

Investigators also disclosed in the past several days that the GAO had began a separate inquiry into the whereabouts of millions of doilars that apparently were supposed to be funneled to the contras from the sale of U.S. weapons to Iran. Other open investigations, most of them previously known, focus on thirtees that the rebels or their

backers sunuggled arms, trafficked tion, the Customs Service, and the on Arms Sale in drugs, laundered money or vioin drugs, laundered money or vio- General Accounting Office. lated the Neutrality Act, which

In addition to these inquiries, a special prosecutor and two congressional committees examining the Iran-contra affair are investigating charges of illegality tied to

The investigations pose a dilemma for the Reagan administration. As it pushes for additional support for the contras, the administration or their supporters: also is compelled by statute to investigate reports that the rebels might have broken the law. The administratioo is asking Congress for \$105 million in aid for the rebels for the 1988 fiscal year, which begins in October.

Investigators say Mr. Reagan's ontspoken public support for the efforts to supply the rebels.
contras has made it difficult for • A criminal investigation of prosecutors and other federal agents to carry on their work. Law enforcement officials have repeatedly denied accusations that, because of administration pressure, their inquiries were unnecessarily slow or incomplete.

The investigations are being conducted by a variety of agencies, including the Justice Department, the Federal Bureau of Investiga- policies in Central America.

Some of the investigations may bars Americans from involvement be turned over to the special prose-in military efforts against countries cutor in the Iran-contra case, Lawnot at war with the United States. rence E. Walsh. In announcing his appointment as independent counsel, a three-judge panel asked Mr. Walsh to investigate the sale of weapons to Iran and reports by the White House that millions of dollars from the sales had been diverted to the contras.

These are the federal investigations known to involve the contras

 An investigation by the U.S. attorney in Miami of charges that weapons were smuggled to the contras from a Florida airport in 1985. An investigation by the same office of a Miami-based cargo carrier that has been involved both in the Iran arms sales and the secret

what happened to the \$27 million Congress granted to the rebels in

• A federal investigation of charges that the Americans taking arms to the rebels also smuggled

· An FBI investigation of a burglary at the offices of a group that has opposed the administration's

White House

By David B. Ottaway

Washington Post Service
WASHINGTON — The Reagan administration has notified Congress that it intends to sell \$2.2 billion worth of arms to Saudi Arabia, Egypt and Bahrain this year, according to Defense and State Department officials.

The sales are the first in a series the administration is expected to propose over the coming months for moderate Arab nations shaken by recent disclosures of secret U.S. arms sales to Iran.

Also under consideration, ac cording to pro-Israeli sources, is a proposal to provide Jordan with equipment to convert its fixed Improved Hawk anti-aircraft missiles into mobile units, and the sale to Saudi Arabia of helicopters and electronic countermeasure equipment for its U.S.-built F-15 jets.

These sources said the adminis tration has begun informal consultations with key congressional committees on the potential reaction in Congress to the sales, which pro-Israel congressmen have

strongly opposed.

A State Department official confirmed that a proposal to sell Saudi Arabia 28 Sikorsky Blackhawk and Bell 406 helicopters was expected shortly and that the department has sounded out some congressional committees on the possible sale of electrooic countermeasure ipment to that nation.

The formal optifications made Toesday to Congress stipulate the sale of 40 F-16C and F-16D aircraft to Egypt at a cost of \$1.3 billion and 12 F-16s to Bahrain for \$400 million.

Last week, Congress was notified that the administration also planned to sell 200 Bradley Fight-ing Vehicles, an armored personnel carrier, worth \$500 million to Saudi Arabia.

It is the first time the United States has sold F-16s to Bahrain or Bradley Fighting Vehicles outside the U.S. military. The price of \$2.5 million per unit that the Sandis will be paying for the Bradley vehicles appears extremely high compared with the \$1.3 million to \$1.8 million

the U.S. Army is normally charged. The sales to Egypt and Bahrain come under the Foreign Military Sales Program and require 20 days of informal notification and 30 days of formal notification to Congress, which would have to pass a joint resolution of disapproval to block the sales. The Bradley vehicles for Saudi Arabia, however, are a straight commercial sale requiring formal notification only.



congressional leaders left the White House after meeting President Ronald Reagan.

Charles Wolcott Dies; Baha'i Leader and Musician

HAIFA, Israel - Charles Fredrick Wolcott, 80, a leader of the Baha'i religioo and a former music arranger, died Wednesday of natural causes. Mr. Wolcott was a music arrang-

er for Walt Disney Studios between nine members of the international 1934 and 1944, and had worked assembly and later became secrewith a number of jazz musicians, including Tommy Dorsey and Ben-ny Goodman. He arranged "Rock body of the Baha'i faith.

Around the Clock," one of the first Dther deaths:

rock 'n' roll hits, He joined the Baha'is in 1938 and served on its National American Spiritual Assembly from 1955 and 1961.

In 1961, he was elected ooe of the Bridgeport, Connecticut. assembly and later became secre-tary-general of the Universal celona, Spain. Many of his works House of Justice, the governing were translated ioto Spanish,

Vincent R. Impellitteri, 86, who defied New York's Democratic machine of Tammany Hall and was elected mayor as an independent in 1950, of heart failure Thursday in

Josep Foix, 94, a Catalan poet, French and Italian.

Charles DeBenedetti, 44, a professor of history at the University of Toledo and expert on U.S. diplomacy and the American peace movement during the Vietnam War, Tnesday of a brain tumor in Toledo, Ohio. Ralph Faulkner, 95, who taught

swordplay to movie actors, including Errol Flynn and Douglas Fairbanks Jr., Wednesday in Burbank,



RETURN FIRE - Jim Wright of Texas, speaker of the House of Representatives, prepares to fire back at a journalist who scored a hit with a snowball as he and other

SEEMILES AHEAD CARRERA and the America's Cup. A winning combination.

At the America's Cup.

the world's most prestigious sailing event. the participants have only two things in sight -CARRERA sunglasses and victory.

As official supplier to this international open sea regatta, CARRERA with its Sun Protection System. C 60 for moderate protection; C 80 for strong protection; and C 100 for extreme protection; guarantees perfect vision in all light conditions.



U.S. Court Bars Biography of J.D. Salinger

By Arnold H. Lubasch New York Times Service

NEW YORK - A U.S. appeals court in Manhattan has blocked publication of a biography of J.D. Salinger, saying the book unfairly used the writer's unpublished let-

Reversing a lower court decision, the appeals court ruled in favor of Mr. Salinger, who filed suit to prohibit the biography from using any material from the letters, which he

wrote many years ago.

"We're delighted," said R. Andrew Boose, the attorney for Mr. Salinger. "We've told him of the decision, and he is also delighted." The dispated biography, "J.D. Sainger: A Writing Life" by Ian Hamilton, was to be poblished late last year by Random House, but it

was held up by the unusual case. A Random House spokesman said after the ruling Thursday, "We are not going to be able to comstudy the opinion." The only further legal appeal for the publishing house is in the Supreme Court of

the United States. In its 24-page decision, the U.S. Court of Appeals for the 2d Circuit said the case focused on "whether the biographer of a renowned author has made 'fair use' of his subrect's unpublished letters."

According to legal scholars, the "fair use" standard is vague and open to wide interpretation. Legal opinion on the appeal court's ruling was varied. Charles

had not seen the opinion. But from the language the court used in announcing the decision, he said, "then the conclusion is inescapable — the judgment had to follow, as the night the day."

But Floyd Abrams, another law-yer, expressed reservations. "It seems to me a deeply troubling limitation on the ability of a publisher to print a significant book," he said, "and of the public to learn about one of the most fascinating

and important writers of our time." Mr. Salinger wrote the letters to his friend and editor, Whit Burnett, and to several other people, includ-

ing Ernest Herningway.

"The biography," the appeals court said, "copies virtually all of the most interesting passages of the letters, including several highly ex-pressive insights about writing and hterary criticism."

In a footnote, the court's decision cited a letter in which Mr. Salinger complained about an editor who praised one of his stories while rejecting it. "Like saying." he wrote, "she's a beautiful girl, except for her face." Another letter criticized Wendell

L. Willkie, the 1940 presidential candidate, saying, "He looks to me like a guy who makes his wife keep a scrapbook for him."

The decision included another footnote referring to a 1943 letter

in which "Salinger, distressed that Oona O'Neill, whom he had dated, had married Charlie Chaplin, expressed his disapproval of the mar-riage in this satirical invention of Rembar, a constitutional lawyer,

bamboo cane, like a dead rat. Oona the letters was deleted. in an aquamarine gown, applaud-ing madly from the bathroom."

"I'm facetious," the letter added, but I'm sorry. Sorry for anyone with a profile as young and lovely as Oona's."

sent form.

appeals court noted, "is a highly regarded American novelist and his novel The Catcher in the Rye.' fair use He has not published since 1965 stances." and has chosen to shun all publicity and inquiry concerning his private

"The defendant Ian Hamilton is topics," it continued. "He serves as hterary critic of The London Sunday Times and has authored a biography of the poet Robert Lowell."

fusal to cooperate with him, made Medal on Friday in recognition of use of the unpublished Salinger let- his having "faithfully served the ters, which were written between cause of truth."

1939 and 1961. The recipients or Mr. Speakes has resigned to take their representatives donated the a job paying an estimated \$250,000 letters to university biraries, where a year as chief of communications they were discovered by Mr. Ham- for Merrill Lynch Co. He held the

nings. Chaplin squatting grey and for copyright protection and ob-nude, atop his chiffonier, swinging iccted to the biography's publica-his thyroid around his head by his tion unless all of the material from

The appeals court rejected arguments that withholding the letters would significantly interfere with "public knowledge of history." "Salinger's letters contain a

number of facts that students of his In reversing a ruling issued on life and writings will no doubt find Nov. 3 in U.S. District Court in of interest," it continued, "and Manhattan, the appeals court de Hamilton is entirely free to fashion clared Thursday that the biography a biography that reports these could not be published in its pre-facts.

"The plaintiff J.D. Salinger," the tect the expressive content of his poeals court noted, "is a highly unpublished writings for the term garded American novelist and of his copyright," it added, "and short-story writer, best known for that right prevails over a claim of fair use under ordinary circum-

Reagan Presents Medal well respected writer on literary To Speakes on Departure Linited Press International

WASHINGTON - President raphy of the poet Robert Lowell."

Ronald Reagan awarded his departing chief spokesman, Larry ography despite Mr. Salinger's re-

White House post for almost six When Mr. Salinger, 68, learned years and gave 2,000 daily news that the letters were being used in briefings.

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Reagan's Other Script

The president had two scripts for his State of the Union Message on Tuesday night — and delivered the wrong one. The speech be delivered in person hillowed with stale wind. His written message crackles with energy, spelling out how to rebuild America's competitive pre-eminence.

Three aspects of this program, particularly, deserve study and may well ment sup-port: creating new flexibility in matching jobs and workers, stimulating invention and application and opening American and foreign markets to increase trade and growth. There remains, alas, a fourth, more important aspect, about which the president's written message is as dismally inade-quate as his spoken address. He still offers no plausible attack on the federal budget deficit, just gimmicks like line-item veto power and a balanced budget amendment. The challenge for Congress is thus considerable. It can, working with the adminis-

tration, flesh out the first three parts. It is far less likely that Congress, given such a limp Reagan role, can overcome the deficit.
"Competitiveness" has become the slogan of the season. The truism endures for a good reason; It is true. American concerns arise from vigorous foreign competition; these concerns explain the pressure for import restrictions that supposedly would

Thursday: "Protectionism is anti-growth, It would make us less competitive, not more." A sound route to competitiveness is to put more Americans to work, and the president offers a sensible concept. The government's approach to unemployment has been piecemeal —one program for workers who lose jobs when business slackens, an-

belp U.S. industry get even. Mr. Reagan cited this danger in his economic report

other for layoffs because of foreign compe-tition, still others for those who lack joh skills. Mr. Reagan's proposal abandons such distinctions and concentrates on edu-

cation and training for employable skills.

A second part of the program would encourage research and innovation, long "the envy of the world and a critical source of our national strength." But other nations are catching up. The president would dou-ble the budget of the National Science Foundation over five years and create sci-

ence and technology centers.

The ultimate test of competitiveness, Mr. Reagan says, is success or failure in the international marketplace. His unassailable aim is to negotiate lower trade barriers worldwide and a one-on-one "free trade" agreement with Canada. It will not be easy to get Congress to go along. Mr. Reagan is himself to blame for the government's overriding failure to shape a hospitable environment for international trade. He now acknowledges that budget deficits create the imbalance that make America less competirive. Yet he still seems to think that this problem can be solved with spending cuts.

There is no imaginable way to save \$173 hillion, this year's deficit, out of the \$500 billion in nonmilitary spending. Which parks does the president propose closing? Which airport towers? Which coast guardsmen should be laid off? Which mailmen?

Oratory about striving for excellence counts for nothing without a willingness to make hard choices among gons, butter and borrowing. Competitiveness and the trade deficit turn on the budget deficit. The hudget deficit turns on Mr. Reagan's own deficit — of leadership.

— THE NEW YORK TIMES.

Reaching Out to the ANC

The Reagan administration has come un-der heavy fire from the American right for extending its constructive engagement po-licy from the white South African government to the black nationalist resistance organization, the African National Congress. Even among those who accept the administration's new turn, one marked by the reception Wednesday of the ANC leader, Oliver Tambo, by Secretary of State George Shultz, there is pause. It arises in part from the terrorism practiced against civilians by some followers of the ANC and, more, by the lack of full-throated ANC condemnanon of "necklacing" and like violence. It also arises from the ANC's links with the South African Communist Party - links that remind many Americans of other occasions when a communist minority rode nationalism to power.

The administration, nonetheless, is right to reach out to the ANC finally at its policymaking level. There are several things of value to the United States to be gained by is doing so. Washington makes contact with an organization whose real legitimacy is already established, and not by any extercountry's own people. The United States acquires a channel to convey its concerns to the ANC - and there is much that needs to be expected. Still, it is the right way to go. be conveyed, not least American views on

peaceful tactics, democracy and an open economy. The United States also becomes able to address all the major South African players and not to be identified any longer as having all or most of its hopes vested in

the white minority regime.

In Washington, Mr. Tambo had a large cause to promote — freedom — and a special ax to grind. For him it is not enough for Americans to open up to the ANC. He wants Washington to close down to the rival black South African resistance movement led by the Zulu chief Mangosuthu Buthelezi. The chief's reputation as a moderate favoring multiracial democracy got a major boost recently from a plan he fostered for power-sharing in Natal Province; Mr. Tambo finds flaws in the plan's ethnic aspect. The Tambo-Buthelezi rivalry is a bitter one. But the American interest is to see blacks cooperate with blacks, as with whites, in moving toward a negotiated set-tlement. It would be a mistake for Washing-

ton to play politics between blacks. The Reagan administration arrived at its new stage with the ANC only after six years had passed and its emphasis on winning had broken down. From dialogue with the ANC, no early political breakthrough can

-THE WASHINGTON POST.

Infinity on a Child's Coat

ture's most marvelously varied creations. The snowflake is the product of nothing but water, dust and changing air. Yet from this prosaic mix come structures of intricate design and patterned beauty.

Snowflakes grow in fits and starts as they fall through air of varying warmth and wetness, a life history that has long proved too difficult for physicists to understand. Only recently has nature begun to yield to the computer the mystery of their formation. But it has yielded none of the mystery of their beauty - single-plane six-sided ice crystals is the way scientists label the lovely star-shaped flake.

Soft surpassingly delicate and sadly mortal, the snowflake can be unyielding and enduring. Its packed masses hampered

Walk out into the snow and, without feeling a crunch under your foot, you will be crushing thousands on thousands of na
discontinuous and the snow and, without feeling a crunch under your foot, you will and Hannibal's elephants as they reached for Rome. The mountains of snow piled on the polar ice caps carry the history of the Earth's ancient weather. Though it falls lightly, the snowflake changes everything. Skiers bless it, suburban shovelers damn it and most people just like to look at it.

> No one has ever found two snowflakes exactly alike. Since they have been falling for eous, and cover perhaps half the Earth's land surface every year, some mathemati-cians insist that there must be duplicates, though the odds of finding any are daunting. Despite this faith in the finiteness of form, the snowflake's permutations seem endless. Some people may search for infinity out beyond the quasars at the imagined edge of the universe. Others may find it while hrushing the snow from a child's coat. -THE NEW YORK TIMES.

Other Comment

On Trade, a Welcome Truce

Representatives of the European Community have endorsed a draft agreement designed to avoid, for the moment at least, the threat of a debilitating trade war be-tween America and Europe, sparked by the accession of Spain and Portugal to the EC. The agreement, arrived at after a frantic series of negotiations, has been greeted with great relief. Although far from ideal, [it] is a necessary short-term expedient. But the new agreement has merely dealt with the symptoms of agricultural trade friction in the Atlantic community.

Neither the United States nor the EC has marshaled the political will to make any serious attempt to grapple with its fundamental causes. Both need to reduce their burgeoning agricultural surpluses rather than inventing strategies to dispose of them in a shrinking global market for agricultural produce. It is now incumbent on both

Washington and Brussels to begin dismembering their vast agricultural subsidy programs, which brought as to the edge of the precipice in the first place.

- The Times (London).

Gorbachev's 'Daring Concept'

The differences between what Deng Xiaoping is doing and the policies pursued by [Mikhail] Gorbachev are striking. The Chinese are already dealing with such con-cepts as stock markets. Major foreign in-vestments are contemplated. Private businesses are sprouting. Mr. Gorbachev is still dealing with the daring concept of whether votes in the Communist Party may be cast in secret. The general secretary did float the idea of a nationwide conference of the Soviet party; the last was in 1941. Mr. Deng would be a whale of a keynote speaker. - The Wall Street Journal (New York).

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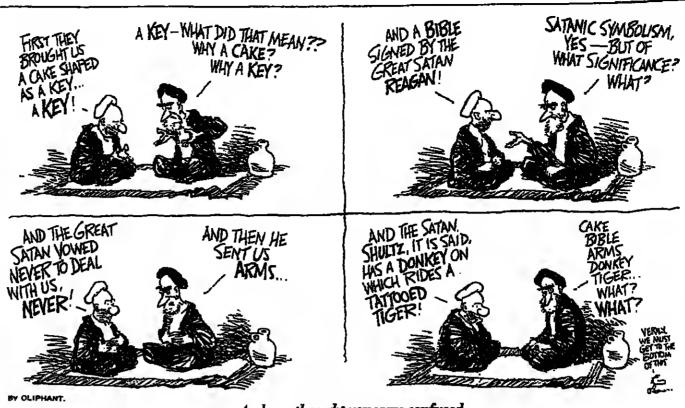
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Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurtt M. Tel. (909) 716755. Tix 416721
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OPINION



... And you thought you were confused.

Competition Is Gorbachev's Goal — Not Democracy

PARIS — It is deeply misleading to speak of Mikhail Gorbachev's proposals Tuesday to the Communist Party's Central Committee plenum as implying "democratization" of the Soviet system. Democracy is a word drawn from the Greek roots for "people" and "rule," and what Mr. Gorbachev is proposing has nothing to do with popular rule.

He wants meritocracy, not democracy. His pro-posals would make promotion within the oligarchy that rules the country more competitive, with several people competing for a promotion rather than one being named arbitrarily from above. He wants men and women of demonstrated quality in lead-ership posts. To accomplish this by competition and secret votes inside party and state organs will require a radical break with Soviet practice established since the late 1920s, It is, for the U.S.S.R., eminently desirable. But let us understand what we are talking about, which is not democracy.

We talk about democratization because it is conventional to describe the Soviet-Western difference as that between totalitarianism and democracy; hence, any movement inside the one must be toward the opposite. It is also conventional to ask if communism can change at all without ceasing to be communism. As the Financial Times wrote last week, "There really is no halfway house in freedom of political choice," The London newspaper cited the case of Hungary, where a system of multi-candidate Communist Party elections already exists and has made no real difference in how Hungary is governed.

But the Soviet Union is not Hungary, Nothing

basic has changed in Hungary, because Hungary is not fully sovereign. It is under Soviet military occupation. Hungary would not today have a Communist government if it were sovereign.
The Soviet Union is sovereign. It can do what it **By William Pfaff**

chooses. The constraints on Mr. Gorbachev are chooses. The constraints on Mr. Gordachev are internal ones. They are those imposed by the Communist leadership's own system of belief, the doctrine from which it draws its legitimacy. They are the limits imposed by the nation's own historical nature and capacity for change. It is no accident that political life under communism in Russia has in several important respects resembled political life in czarist Russia.

And communism does change. Soviet communism has changed in major ways, as have Chinese communism and West European communism. It is the nature of political systems to change. Our view of communism has been heavily influenced by the idea, developed after World War II, of totalitarianism as a new form of political society, naturally expansionist, and unappeasable. Our idea of totalitarianism was greatly influenced by Aldous Huxley's dystopian novel, "Brave New World," and was given new fictional form in George Orwell's "1984," published in 1949, just as Stalinist terror was taking Eastern Europe into its great

was taking Eastern Europe into its grip.

The idea of totaliterianism fit what Nazism had been, and it accurately described what Stalinism then was, but it did not describe what the Soviet Union later became. By the year 1984, the Soviet Union was no quasi-ommipotent despotism, but had, under Brezhnev, gone into a near-terminal state of ideological and bureaucratic senility.

Totalitarianism as we thought of it in the 40s as a system of totally concentrated power, making total claim on a people's moral existence and material lives - has proven to be a phase, a deadly one, in the evolution of several modern ideological dictatorships, Nazism and Stalinism, and also

Mao's China, and the Khmer Rouge in Cambodia. In each case it has failed to sustain itself. However awful the world has been since the late 1940s, it is less totalitarian now than it was. The Soviet Union under Mr. Gorbachev cannot seriously be compared with what it was under Stalin.

But wby do we expect Mr. Gorbachev to try to take his nation toward democracy? It has never been a democratic society. The Soviet elite holds Western democracy a corrupt disguise for class exploitation. Mr. Gorbachev wants realism and reason. He wants greater debate within the party and in public, competitive choice of certain leaders, a more open intellectual atmosphere, a restoration of serious standards in public life.

"We are talking about a turning point and measures of a revolutionary character," Mr. Gorbachev says. "We simply do not have any other choice. We must not retreat and do not have anywhere to retreat to." Those are the words of a realist. It has been a long time since realism, moral realism, has marked what Soviet leaders said.

Both the Soviet Union and the Western powers have for the last 45 years lived by national agendas imposed by a sterile ideological rivalry, enforced with apocalyptic weapons. None has been the better for it. This rivalry has blocked the creative solution of all too many problems, East and West, The U.S.S.R. is not the only nation that has suffered corruption of "the national morality."

In the haunting phrase of the modern Greek poet Constantine Cavafy, we have found "a kind of solution" in preparing for the threat that barbarians will come. What, then, if a messenger arrives to say there are no barbarians? What becomes of us then? It is not easy to give an answer,

International Herald Tribune O Los Angeles Times Syndicate.

In South Africa, Hope Lies in Democratic Change

APE TOWN --- Anyone who be- bieves peaceful change in South Africa can come through the Nationalist government simply does not understand just how committed it is to holding on to permanent white baasskap, or overlordship. It is time to recognize that any policy directed at persuasion of the present govern-ment, whether by carrot or stick, will run into the same obstacles encountered in attempts to persuade the Smith government in Rhodesia, which succumbed only after 15 years of isolation and 20,000 deaths in the bush war - a toll that in South Afri-

ca could be 10 times greater.

What is often overlooked is that South Africa is a parliamentary democracy, albeit one in which full citizenship rights are limited to the whites. Properly managed elections are held regularly, and white voters are free to vote for opposition parties to the right or the left of the present government. Governments have been changed by the ruling party's being voted out of office as well as through

The lack of appreciation of oppor-tunities offered through the country's electoral system must be blamed largely on the official opposition itself: the nonracist Progressive Feder-al Party, or PPP, which only last year began to address itself to wresting

power away from the Nationalists.
Yet now the climate is right as never before for a change of government. A poll in mid-1985 found that 63 percent of the whites do not believe apartheid will last another 10 years. And in a survey published last month in a South African weekly, 42 percent of white voters indicated they favored a nonracial constitutional alternative along the lines advocated by the PFP, while only 27 percent preferred the present government's policy of "power-sharing" within an "ethnically based" constitution.

The Botha government's strength, then, is based largely on voters who

LETTER

Clean the Stable

The Reagan administration, in its attempt to trivialize the Iran-contra affair, first blamed it on Oliver North and John Poindexter, then on Israel. After that, an acute case of amnesia seized the nation's executive. Finally, there were calls for the president to

apologize and assume responsibility. Will this renew Americans' sense of elementary morality? Will it restore common sense in government affairs? Is public relations the answer to a serious attack on the constitution by people who tried to set up a secret, parallel government not answerable to Congress or the people?

America's honor, its word, its alliances are being flushed down the tube of history. Congress must root out these primitive manipulators The Augean stable must be cleaned. LEO H. HOFBERG.

Carona, Switzerland.

By Paul N. Malherbe

think it is on the wrong track. This to develop, in consultation with ex-mentation of universal suffrage. represents an opportunity for the PFP. There are three prerequisites for peaceful change in South Africa: We must have black cooperation, we must overcome white fear, and we must have a change of government. As to black cooperation, there is hope in the fact that a poll late last year found that three out of four blacks prefer negotiations to violence and want a multiracial rather than an

all-black government. It should be recalled that the African National Congress tried persuasion in its early years and resorted to violence only after finding itself exiled and faced with an intransigent government. But how to allay white fear? For whites to accept total removal of race

laws and cast their votes for the party advocating such a program, they must be convinced that the process of change will be handled in a safe and responsible manner. The environ-ment is favorable for winning that trust, for there is great awareness among whites today that the government is standing squarely in the way of improved race relations. The PFP's starting point would be

traparliamentary groups such as the ANC, an election platform indicating what it has in mind as a credible first step. With elections now set for May 6, this cannot be deferred. Intentions and goals must be made widely known among the electorate to ease white fear and gain the understanding and cooperation of blacks. A list of these might include the following:

 That local anthonities be allowed to repeal any race laws still in force in their areas, and that all political prisoners be freed.

 That unemployment be tackled by promoting rural development and encouraging black businesses through tax incentives and the phasing out of monopolics.

That a crash program be developed to upgrade black education.

That a representative national convention be called to devise a new nonracial constitution for the coun-

try, and a program to implement it. The last item is crucial; it means that while apartheid is being dismantled, the PFP remains fully committed to its principles and goals. The suggested election platform uted this to The Washington Post.

would be far less frightening to whites than the immediate imple-

The PFP recently has concluded an alliance with the New Republic Party, which has five seats in Parliament. At the same time, the National Party is bound to lose a substantial amount of support to the rightist Conservative Party. The Nationalists could lose their majority, paving the way for a coalition that would start dismantling apartheid in all seriousness. U.S. influence in this election is

important. President Pieter Botha is serious when be says that he will not be swayed by sanctions and disinvestment. That being so, Americans might tell the South African voters what their attitude would be if South Africa were to rid itself of a racist government that is largely immune to influence. The two countries could develop some common ground where little now exists, paving the way not only for the restoration of friendly relations but for the joint commitment to those ideals so highly valued in the United States.

The author, a writer and member of the Progressive Federal Party, contrib-

A Negotiated Solution: The Will Is There

P ALM SPRINGS, California — The peaceful change away from apartheid that South Africa claims to seek is now seeking South Africa.

If the government of President Pieter Botha fails to see the will of the people, both black and white, as recently manifested in a power-sharing proposal for Natal Province, it will be replaced, and rightly so. A successor government would most likely be of the far right or the far left. Neither

would bring peace and stability.

Blacks and whites and Asians in Natal, after eight mouths of often difficult negotiation last year, de-vised a proposal to increase black self-determination. The agreement proved the different racial groups could arrive at a formula for a political solution. But the proposal was rejected summarily by the South African minister of home affairs, Stoffel Botha, who confirmed in the process the National Party's opposition to power-sharing. His reaction stunned many of those who had labored over

the Botha government's sincerity.
The plan advanced by the Natal Province Constitutional Conference provided for a one-man, one-vote system with checks and balances to ensure minorities their rights.

Moderates led by the opposition Progressive Federal Party have long sought change through such political negotiation. The party chairman, Peter Gastow, a representative to the would agree to is equal "group Natal conference, said he feared that rights" for whites and blacks. Its porejection of the plan could end all

ejection of the plan could end all sition is that no group may be allowed to dominate another. This excludes any one-man, one-vote plan.

Power-sharing and the elimination chance of peaceful change. leaders said that while the proposed

By Robert H. Phinny

Natal constitution was unappealing to the far right, meaning the conser-vative Afrikaners, and unacceptable to the far left (the African National Congress and South African Com-munist Party), it merited consideration by the other three provinces.

The Natal plan provided for majority rule under a system based on individual equality, with veto power for whites and Asians over legislation affecting their language, religion or culture. It encompassed a bill of rights guaranteeing civil liberties, and ensured minorities of at least three seats in the proposed 11-member provincial cabinet. Thus, white con-cern about black domination was lessened. This persuaded a majority of delegates, representing an estimated six million blacks and one million whites in Natal Province, to accept it.

It is projected that in the year 2000 there will be 11 blacks in South Afrithe proposal, and called into question the Botha government's sincerity.

ca for every white, about double the current ratio. Clearly, some accommodation must take place. The proposed Natal constitution, expres intelligence and good will and showing the way to dissolve misconcep-

tions, could yet be a solution.
But Stoffel Botha, the bome affairs minister, has made clear what sort of power-sharing the National Party has m mind. The party insists the most it

CONTRACTOR OF THE PARTY AND TH

of apartheid can only take place when accompanied by decentralization of the government. Without more flexibility from the National Party, this will be impossible. Still, the Natal proposal is a step in

the right direction. It proves that the will and the ability for political negotiation exist in South Africa, even if for now they have been thwarted.

The writer was U.S. ambassador 10 Swaziland from 1982 to 1984. He contributed this comment to the Internotional Herald Tribune.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Strike in Lisbon

was held [on Jan. 30] at the Ministry of War to discuss the situation created by the general strike. It was decided, in order to re-establish order in the streets, that the troops should make raids, arresting people "en mas-se," and should seize all firearms. The ringleaders bave been arrested, Bombs have been thrown at the cavalry and the Republican Guards in Rocio square and in the Alcantara suburb. A state of siege will be declared in Lisbon and reinforcements of troops are arriving. Citizens have been warned not to leave their houses after 8 P.M. The streets of Lisbon are practically deserted of vehicles and are guarded by troops. The gas and electricity works are under the pro-tection of a force of soldiers. Bands of strikers who assembled in the Praca do Commercio were dispersed without difficulty by cavalry.

1937: Hitler's Fifth Year thesis as one which will bring about a revolution in knowledge and in the conception of history."

No Cheers in the It is the This To Beagan will be the Total of the Tot This Time

By David S. Broder

W ASHINGTON — The morning of the Union address, morale inside the White House and m several cabinet departments was probably at the lowest chb in six years.
One of the more literary minded

members of the administration do scribed it as "the day the cheering stopped," invoking the title of a clissic study of Woodrow Wilson's accord term, when the enfeebled president watched the destruction of his great dream, the League of Nations, Another administration official said he felt touches both of "the final days" of Richard Nixon and the last months of the Ford administration the sour aftertaste of scandal com-

bined with "a sense of profound varnousness and utter impotence."

These gloomy musings touched even institutionally upbest parts of the White House. They were occa-sioned by the realization that, what-ever positive signals the speech Taes-day conveyed about the president's health, it really represented a lost opportunity for renewing the vigor of

an ailing administration. Mr. Reagan stepped down from the rostrum of the House chamber to cheers and applause. But the themeered left no rallying point for his embattled party on Capitol left. Some White House staff members who stayed by their lelevision sets to watch the Democratic response recognized that the opposition party against historical precedent has reached more agreement on its agen-da and priorities than the radderless

White House has done. A case in point is the "compo ness" issue, addressed by Mr. Reagan and by the Democratic spokesnen, House Speaker Jim Wright of Texas and Senate Majority Leader Robert

Byrd of West Virginia.

Anyone who watched the president's speech may be forgiven for being unaware that he has a strategy to arm the United States for a defense of American jobs and hving stan-dards in an increasingly cutthroat international economy. What was to have been a trumpet call comparable 10 John F. Kennedy's speech launch ing the U.S. effort to place a man on the moon, turned into a tremolo too tie — largely because no one in the While House appears capable of of

chestrating a major policy initiative.

When the "competitiveness initiative." tive" came out of the cabinet council on economic policy headed by Tree sury Secretary James Baker, these were hopes it could be presented at the framework for a broad-ranging attack on laggard productivity time management, shoddy standards o education and workmanship, and us disciplined federal fiscal policies du designers saw it as the vehicle for assembling a diverse coalition, ever in the Democratic Congress, making

possible a surprise victory.

They saw it as a way for Mr. Resgan, far from being a wounded time duck, to finish his presidency on a note of achievement, the architect of a bold strategy offering the national vigorous, bealthy economic future:

The opening sentence of that me tion of the Reagan speech carned the echo of that original hope. He sates the benchmark the belief that the United States should "enter the past century having achieved a level of

excellence unsurpassed in history. But there were no specifies, and the president descended rapidly to fliches about "an expenditure of American spirit and just plain American grit." Three phrases later be was back

to promoting prayer in the schools. Meantime, the Democrate are moving rapidly to broaden the traffe bill crafted in the House last year into a "competitiveness package," offering sufficient bail to a wide range of interest groups and constituencies to assemble what could be a veto-proof majority on the House floor.

Mr. Wright, who wants that sectory as a feather in his new speaker's cap. is courting Mr. Byrd in a fashion that surprises many Democrats and alarms some officials in the White House. The desire to enlist Senste support for the trade package is and reason Mr. Wright offered to share his television time Tuesday with the Scnate majority leader.

Administration officials now its ure they will have to rally nervoor and increasingly restive Republican senators as the last line of defease against what they fear will be a protectionist-flavored Democratic tride bill. That is a far cry from putting of. Reagan's stamp on a competitiveness program of his design. But it exampli-fies the haplessness that is throsto-ing to overwhelm this administration. The Washington Post.

LISBON - A Council of Ministers

BERLIN - Chancellor Adolf Hide began his second four years in power [on Jan. 30] by telling the Nazi Rechstag, the German nation and the world that "the era of so-called satprises" — those periodic dramatic steps taken by the Führer which have shaken the structure of European peace - is now ended. "As a state now enjoying equal rights with other states and conscious of her European obligations, Germany," he said, "will cooperate loyally in a solution of the problems affecting us and other ar-tions." He replied to the recent appeal of Foreign Secretary Anthony Eden by a statement in principle of his preparedness to collaborate. pointing to the Bolshevik scare, by criticisms of the League of Nations, by defense of the Nazi blood and race

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INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, JANUARY 31-FEBRUARY 1, 1987

Student Protest University in Mexico; Spread of Unrest Feared Spread of Unrest Feared stringent admission and examination standards and higher fer tion st

strongest student protest movement in almost two decades has that the authorities fear could stir wider unrest.

Moments after midnight Thursday, leaders of the university's stu-dent council draped red-and-black strike banners on school installations, beginning a closure that some said could last for months.

Condemning the atudent action, the university's administrator, Mario Ruiz Massieu, said the students could cause "irreversible damage to their school and their

Leaders of the government-affiliated Labor Congress warned that the strike could "detonate" wider social and economic conflicts and urged e prompt settlement. Scattered independent unions and dozens of student organizations in provincial universities have declared support for the students' defiance of university administrators, who are closely identified with the governing Institutional Revolutionary

The strike comes after weeks of student agitation against more

Satellite Begins U.K. Broadcasts To European TV

LONDON - A British satellite television channel for Europe, Super Channel, went on the air Friday night with a potential audience of six million households in 14 countries.

It will provide a 24-hour English-language service using programs from the British Broadcasting Corp., Indepen-dent Television and the Virgin Стопр.

Viewers of the pay-TV channel are connected to a cable television network or equipped with a satellite receiver dish. Independent Television said

that 10 hours of pop music were planned each day and most of the rest would be devoted to documentaries, game shows, soap operas and news.

The channel will compete with Britain's Sky Channel, which is owned by the newspaper tycoon Rupert Murdoch.

But the movement has grown shut down the huge National Au-tonomous University in a strike management of a school the students say has become gigantic, im-personal and overloaded with bureaucracy. With 340,000 students, including about 150,000 in university-chartered secondary schools, the university has more than tripled in size since its last upsurge of student activism in 1968.

The university's budget, mean-while, has steadily declined in recent years, a victim of Mexico's economic crisis. A disproportionate share of these shrinking resources, students and many professors contended, goes to the nearly 25,000-member administrative

The campus is dominated by a library, covered with murals, that is a landmark of modern Mexican architecture. The boldly decorated building has become a symbol of the school's deterioration: Unable to support the weight of the books within it, the library is now closed and there is no money for repairs.

Students swap tales of classes without teachers, courses without textbooks, and critical test results irretrievably lost in a labyrinth of university offices.

"A strike is a last resort, but they left us no alternative," said one student. "If the students didn't strike, they would never take us

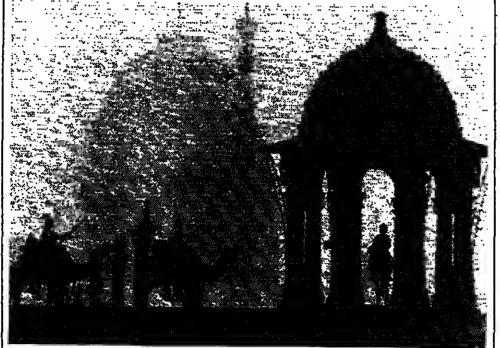
seriously again."

Officials of the governing party were especially anxious to avert the strike because of concern for repercussions on the 1988 presider race. Several cabinet ministers who are considered potential presiden-tial candidates could be hurt politically by an extended disruption at the university.

Within the university, other students resisted the strike movement, apparently leading administrators to conclude that student council leaders represented only a radical minority.

But on Jan. 21 an estimated 200,000 student protesters filled Mexico City's vast central plaza, a turnout that stunned the authorities. It was hy far the largest student rally since the 1968 movement was ended by the killing of several hundred anti-government demon-

day. The students demanded a new cluding one he made to the sultanuniversity congress that would gov- ate of Brunei. ern through elected representatives of students, teachers, maintenance workers and administrators.



A RITUAL RETURN — Troops of the Ganga Risala Camel Cavalry silhouetted against the Presidential Palace in New Delhi during the annual beating of retreat.

IRAN: U.S. Officials Deceived Each Other, Report Says

(Continued from Page 1) told Attorney General Edwin

Meese 3d that every time he men-tioned moderates in Iran to the president, Mr. Reagan returned to the issue of releasing the hostages.

With the president, said North, it always came back to hostages," the report says. "According to Meese, North said it was a terrible mistake to say that the president wanted a strategic relationship, be-cause the president wanted the hos-

The report includes these examples, among others, indicating that administration officials deceived each other and members of Con-

• Robert C. McFarlane, Mr. Reagan's former national security adviser, testified that he had specifically asked William J. Casey, the director of the Central Intelligence Agency, whether Israel was secretly thipping arms to Iran in 1985. Mr. Casey, according to the testimony, told Mr. McFarlane that the Israehis were not shipping arms, even though the CIA had evidence of the

• Elliott Abrams, assistant secretary of state for inter-American affairs, told the intelligence committee in November that money had not been solicited from foreign countries to aid the contras, as the Nicaraguan rebels are called. Later, according to the report, Mr. Talks between student and ad-ministration representatives broke tee for withholding the fact that down in their 10th session Wednes- such solicitations were made, in-

> · Mr. Casey did not tell the committee in November that funds said Friday that the president was from the sale of arms to lian had 'pleased with the Senate panel's re

been diverted to aid the contras, port, United Press International realthough at the time he had information indicating that was being

At a news cooference, Mr. Boren said the committee had developed "no direct evidence that would state the president knew of the diversion of funds or directed the diversion of funds."

Mr. Boren said one of the main questions to be answered by the new investigative committees that are taking over the work the intelligence committee started was "the role private individuals may have played in the implementation of foreign policy."

The intelligence committee found, for example, that Albert Hakim, an American businessman who was born in Iran, helped open a new channel of communication to Iranian officials, Mr. Hakim also suggested in early 1986, it said, that Iranians should pay inflated prices for the arms so the profits could be used for the contras.

The committee was not able to determine, bowever, whether the of controlling access to Mr. Rea-contras ever received any money gan, United Press International refrom the arms deals.

Mr. Boren said the committee had been unable to trace clearly how much money was raised from the arms sales or bow the money was spent. But the report contained indications that the arms were vastly overpriced and that some of the money was paid to arms dealers and to an Israeli government offi-

Reagan Is Satisfied Mr. Reagan's chief spokesman

ported from Washington. The spokesman, Larry Speakes, said: "The president is pleased that the first report on the Iran matter is out and that it confirms his position that he neither authorized nor

was aware of the alleged transfer of

funds to the contras. The report, he said, "is consistent with the president's position that, from its inception, the Iran initiative was an effort to open a dialogue with top officials of a stra-

tegically important country."
"In implementing this policy,"
the spokesman continued, "the release of hostages was an important preliminary step intended to show that the Iranians would no longer support terrorism, and the sale of arms was a gesture of good faith on the part of the United States in pursiting this strategic opening." ■ Regan Is Urged to Resign

Mr. Boren said Friday that Donald T. Regan, the White House chief of staff, should resign because of the way he exercised his powers ported.

Mr. Boren said that evidence obtained by the committee showed that at times Mr. Regan gave lowlevel officials access to the president while "foreclosing" foreign policy experts, including Secretary of State George P. Shultz, from seeing Mr. Reagan.

"I would hope that Mr. Regan would understand that in the inter-ests of the country it would be best for him to step down," Mr. Boren

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\$100 Million Program Crippled by Delays, Critics Say They said the obstacles include staff shortages and the limited availability of AZT as well as diffi-

Los Angeles Times Service LOS ANGELES — The \$100 million federal program to search for AIDS drugs has made little progress in the seven months since it was established, and the lag has set off growing criticism by some AIDS researchers and homosexual activist groups.

By Robert Steinbrook

nounced in June, health officials predicted that as many as six experimental drugs would be tested in as many as 1,000 patients within six months. But so far, only 133 patients have been enrolled in two tests of the promising drug azidoth-ymidine, or AZT, at the 19 AIDS Treatment Evaluation units. No other drug trials have begun.

The drugs yet to be tested include ribavirin, which recently has been shown to have early promise against the AIDS virus in infected individuals who have not yet developed severe symptoms, and dideoxycytidine, a drug that has seemed promising in laboratory tests at the National Cancer Insti-

"There is very little going on and what they are doing is peanuts," said Mathilde Krim, the co-chairwoman of the American Foundation for AIDS Research in New York City. She cited a "bureaucrat-ie bottleneck" at the National Instinute for Allergy and Infectious Diseases in Bethesda, Maryland, which administers the program. "The whole thing is a mess," she

They are very slow to get started," said Jeffrey Levi, director of the National Gay and Lesbian Task Force in Washington, He said the situation "is inexcusable given the nature of the crisis."

As of Monday, 29,582 Americans had contracted AIDS and 16,847 had died of the disease, which destroys the body's immune The AIDS treatment evaluation

units were established at many of the nation's leading academie medical centers to speed the evaluation of drugs that might prove effective against the virus that causes acquired immune deficiency syndrome. The centers are to receive \$700,000 to \$2 million each in federal funds annually for five years to pay for the studies.

In addition to the 3,000 AIDS patients receiving AZT, about 2,000 are being treated with a variety of experimental drugs, according to the American Foundation for AIDS Research.

The drug program's coordinator played down the criticisms, but she and investigators at the treatment evaluation units acknowledged that the program has been plagued by

culties coordinating the activities of researchers and creating a mas-

U.S. AIDS Drug Effort Assailed

sive organization from scratch. "It is easy to he critical but we have been extremely productive," said Maureen Myers, the official at the National Institute for Allergy and Infectious Diseases who has direct responsibility for the treatment evaluation units. Ms. Myers said she has been so busy keeping the program operating on a day-today basis that she has not had time to hire sufficient staff members to ease the work crunch.

The organizational problems appear to be continuing. Last week, the program's AIDS Clinical Drug Development Committee adjourned its January meeting with- and at the individual medical cenviews laboratory and preliminary only one insultation.

"We have waited three months"

since submitting the data "for them to say something," said Dr. Arnold Lippa, president of Praxis Pharmaceuticals of Los Angeles, which is developing one of these drugs. AL-721. "We can no longer anticipate any assistance from the federal government and are planning large clinical trials on our own."

Ms. Myers said that centralizing the activities of the original 14 treatment evaluation units and an additional five that were funded in the fall has been a formidable task

After plans for research studies are drafted, for example, they must be discussed and approved by multiple committees, both in Bethesda out discussing four of the eight ex- ters. This process can delay the perimental drugs on the agenda. start of a study for months, in com-This key advisory committee re-

WAITE: Envoy Said to Be Tricked

(Continued from Page 1)

immediate reports of casualties in the West Beirut explosion. In East Beirut, a car rigged with TNT was detonated in the fashionable shopping district of Zalka, sending shards of glass flying among shoppers, witnesses said.

[The attack came shortly after resident Amin Gemayel, a Christian, returned to L thanon from an Islamie Conference Organization meeting in Kuwait, United Press International reported.

[In Kuwait, Mr. Gemayel had his first meeting with President Halez al-Assad of Syria in more than a year. The two leaders had been at odds because Mr. Gemayel had refused to sign a Syrian-brokered peace pact between Lebanon's war-

ing factions. [Christian hard-liners have laid the blame for more than a score of car bombs in Christian East Beirut in the last 18 months on Syrian agents. Damascus has denied any

involvement in the attacks.] In West Beirut, witnesses said an explosion ripped through a restau-rant near the Chatila refugee camp. The Palestinian camp has been the scene of four months of fighting between Shiite Moslem gimmen

BA Finds Crack in 747 Wing

and Palestinian guerrillas.

LONDON - British Airways said Friday it had grounded a 15year-old Boeing 747 after a hairline crack was found in a wing spar that belps hold the wing to the fuselage.

ILLIONS!

The Sunni Moslem radio, Voice of the Homeland, radio said there were no casualties in the restaurant

explosion. Soon after Mr. Jacobsen was released, President Ronald Reagan said in a statement that he had been freed because of U.S. efforts undertaken "through a number of sensi-

tive channels for a very long time." The president's spokesman. Larry Speakes, denied that the United States had made any concessions to obtain Mr. Jacobsen's freedom. The statement paid tribute to Mr. Waite but noted that various parties and intermediaries" had played a role.

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ENVOY: South African Ambassador to London Quits, May Run in Election

ty, which holds 17 seats, are the

National Party. rall was considering running for ists who favor moves toward po-Parliament in one of two districts litical accommodation with the now represented by two powerful black majority. old-guard cabinet ministers. They are Chris Heunis, minister of constitutional development and planning, and Stoffel Botha, the home ington Post reported from Cape

affairs minister. Such a challenge would he certain to become a bitter and direct

President Botha said Friday that he conflict between supporters of the would reconsider both the content Botha government and more liberal and direction of our foreign rela-

Last week, a leading reformist ported punitive sanctions. member of the National Party in

a short-lived effort in July to set up a rebel government in a Manila

The takeover attempt by about

400 troops, and the three-day occu-

pation of a television station in

Manila by some of them and by

civilians, coincided with an abor-

tive move by Mr. Marcos and his wife, Imelda, to fly back to the Philippines from exile in Hawaii.

cers and 359 soldiers were being held for involvement, as well as 137

civilians, most of whom had helped

Mr. Pimentel said that up to 100

other civilians who did not join or

openly support others in occupying the TV station were under investi-

gation by the Justice Ministry for

involvement in the uprising al-

though none of them had been ar-

rested or charged. As many as 10 of them were well-known political fig-

occupy the TV station.

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General Ramos said that 13 offi-

main parties in opposition to the publicity as a sign that President Botha was facing a possible rebel-The Cape Times said Mr. Wor- lion from younger "New National-

William Claiborne of The Wash-

tions" with nations that have sup-

MANILA: Military Declares It Will Purge Rebel Troops

peace talks, said the armed forces years.

must be united to operate effective-

ly against armed groups threaten-

ing society.
The National Democratic Front,

which has been negotiating with the government on behalf of the

banned Communist Party of the

Philippines, released its statement

at a protest rally commemorating

the 18 persons killed last week in a

clash between demonstrators and

The talks were suspended after the

The front's national council said

Communist guerrillas would con-tinue to respect the cease-fire with

government forces until it expired

troops near the presidential palace. just war."

Parliament, Wynand Malan, left tion, nor the United Nations or any the party and said he would run as other international organization, Mr. van der Merwe said.

hannesburg constituency.

were reported to have gone into hiding during the uprising.

General Ramos, apparently referring to the Communist annually parts of the Philippines.

nouncement to withdraw from mainly in the countryside, for 18

After signing the cease-fire there are no substantial talks."

Town:

Mr. Botha said: "No foreign na-

an independent in his suburban Jo-has the slightest right whatsoever to meddle in our domestic affairs." Mr. Botha complained that last wear "undisguised attempts at in-That defection drew widespread When asked whether the presi-

dent meant a severing of diplomatic reaches ic relations with the United States tions." or other countries supporting sanctions, Mr. Botha's chief spokesman said later that South Africa was mercly reassessing the benefits of normal diplomatic relations with countries that have applied pres-sure on Pretoria to dismantle the system of apartheid.

Stoffel van der Merwe, deputy minister for information, also acknowledged that foreign intervention in South Africa's domestic affairs would be a major issue in the

upcoming election.

"I don't think any party would be able to resist bringing foreign interference into the campaign,"

The two sides have been unable

The front's statement did not say

whether it was prepared to extend

the cease-fire. But it warned that

unless the government changed its negotiating stand, Communist

Teofisto Guingona Jr., the gov-

ble to extend the truce, but added:

What's the use of a cease-fire if

blamed the other.

year "undisguised attempts at interference in our domestic affairs reached unprecedented propor

law and conduct that no self-respecting, sovereign country should he subscrient to any other," he The president's 30-minute speech appeared to be a harbinger

"It is e principal of international

of the upcoming election cam paign, in which the National Party will seek a reaffirmation of the electoral mandate it has held since Mr. Botha said he had decided not to call elections for the separate mixed-race and Asian houses of

tention to reform of the system of apartheid, or strict racial separa non, although he reaffirmed his in-vitation to black nationalists to negotiate a formula of power sharing. But Mr. Botha made it clear that negotiations with the outlawed Af-(Continued from Page 1)

Mr. Pimentel gave no names, but agreement, the front began negotifican National Congress, the main several pro-Marcos politicians ations with the government in Deward of the several pro-Marcos politicians ations with the government in Deward of the several pro-Marcos politicians at the several pro-Marcos polit

Parliament, and he paid scant at

to agree on an agenda and each has Trade Conflicts

gress renounced violence.

guerrilla war that had been going guerrilla African National Con-

(Continued from Page 1)

Thus, in the grain dispute U.S.-EC debate became charged. "Each side tried to gain political advantage out of this," said André guerrillas would "have no option Sapir, a visiting professor of eco-but to resort to a policy of waging nomics at the Graduate Institute of International Studies in Geneva "The whole thing got politically de

ernment's chief negotiator, said he railed."
had not been formally notified of In be In better times, he said, the disthe front's intention to end peace pute could have been quietly retalks. He said it might still be possi- solved without imperiling other aspects of U.S.-EC trade relations. But, he added, it was not.

Trade bberalization talks are scheduled to be held this year by the General Agreement on Tariffs and Trade. France's farm lobby incensed over concessions to U.S farmers, have vowed to force Paris to defend the Common Agricultur al Policy at the GATT talks. Attention also is focusing on a

dispute on the Airbus consortium, nies. The United States has accused the consortium of benefiting from unfair government subsidies in developing two aircraft, which would compete with planes produced by Boeing Co. and McDonneli Doug-las Corp. of the United States.

EC and U.S. officials also say the two sides face difficult negotiations over exports of West German matroleum Exporting Countries, chine tools, U.S. access to the EC's down from \$11.6 billion. (AP, Reuchine tools, U.S. access to the EC's

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ures in the Philippines, he said. TRADE: December Deficit Narrowed but '86 Set Record

"We are getting the improve-ment in exports we had expected."

The Reagan administration had contended that the November figures were a fluke and that the trade could not be expected. a private forecasting service. "But imbalance is easing under pressures

cent rise in import prices." Thus, the dropping value of the the deficit this year.
U.S. dollar has so far not had the effect that had been hoped for, he pointed out. "Imports are not declining, they're just getting more expensive," he said.

The department also revised November's record trade deficit

vised and unrevised monthly defi- because of the rise in oil prices,"

offsetting that has been a 10-per-of a weakening dollar. It has pre-dicted a \$30 billion improvement in

But Mike Evans, president of Evans Economics, a private economics consulting firm, said he doubts that the trade delicit will change at all in 1987 because of an expected increase in imported oil prices.

downward to \$15.44 billion. But as "Even if the rest of the trade

it does every month, the agency balance improved by \$10 billion, in the chronic trade imbalance cautioned against comparing re- we would have no chance at all Mr. Evans said. "I think the im-provement the administration is which consists of French, British looking for will turn out to he a West German and Spanish compa

> The Commerce Department report also showed that the United States ran deficits of \$26.4 billion with the European Community last year, up from \$22.6 billion; \$23.3 billion with Canada, up from \$22.1 billion; \$15.7 billion with Taiwan, up from \$13 billion; and \$10.7 bilbon with the Organization of Pe-

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ARTS/LEISURE

James Lally and the Booming Chinese Market

NEW YORK — When the president of the most powerful anction house in the United States steps down to open his own art gallery after devoting 15 years of his professional life to the company, it means that something big is happening in his field.

All the indications are that Chinese art, particularly its early forms from Shang bronzes to Ming porcelain, is on the eve of yet another boom. The career of James J. Lally, who resigned as president of Soth-eby's North America on Dec. 31, 1985, to set up a gallery at 42 East 57th Street simply called JJ. Lally & Co. Oriental Art, neatly coincides with the developments that have led to the present price explosion on the Chinese market.

Little in his university background predestined Lally to become a leading market expert in Chinese art. Neither his undergrad-uate studies in English literature at Lally joined the department and,

Harvard nor the combined degree on Nov. 20, 1973 held the first sale meconomics and diplomatic histo-for which he had written up all the ry he took at Columbia pointed to entries. It was a landmark in Amercommerce or art, let alone China. Early exposure to the outstanding collection of Chinese art in the Mu-

SOUREN MELIKIAN

seum of Fine Art in Boston, his hometown, was the initial factor that awoke what was to become a lifetime passion. While in Europe to see more Chinese art, Lally was offered a job at Sotheby's. Hired for his competence in finance and economics, he somehow managed to have a yearlong stint in the Chinese art department in London un-der James Kiddell, of whom he still speaks in reverential tones.

In May 1973, while Chinese art was riding a crest thanks to Japanese buying and the awakening of Hong Kong, there came an opening in New York. Sotheby's expert in

the first time, footnotes and crossreferencing in scholarly style loomed large in contrast to the past, when objects were broadly characterized in terms of medium, size, and period. A white porcelain bowl of otherwise banal appearance was shown to be connected with the Liao kingdom on the basis of an incised mark in a well-documented discussion that brought in the discoveries of the Swedish

The other major innovation was Lally's approach to the market. He scouted for objects instead of waiting for them to fall in his lap. While walking about Georgetown, his eye was caught by a jade vase in the window of a shop of antiques of every description. He walked in, inquired about the price, which was \$15,000, and said he could get three times as much in his forthcoming auction. In that Nov. 20 sale, the superb Kangxi covered vase set a world record at five times the dealer's price. By the end of the year, Lally was director of the Chinese

Julian Thompson, director of the Chinese department in London, was then setting up Sotheby's Hong Kong. The November ex-perimental sale had been a thumping success. Lally, who had been to Hong Kong and met the dealers and collectors, sensed a fantastic opportunity. He asked to join. After a trial period, he became a director of Sotheby's Hong Kong in 1974 and, from then until his resignation from Sotheby's, ran the operation with Thompson. The rich Chinese business community was gradually drawn into the auction game and this had a worldwide mpact on the prices for later impe-

rial procelsin in the Chinese taste.

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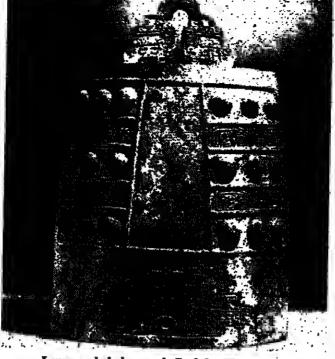
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🕉 PRE-COLUMBIAN ART



Large archaic bronze bell of the Zhou dynasty.

bought Sotheby's in 1982, a new nese art. The two giants in early era opened for Lally, who soon Chinese objects are now slowly became president of Sotheby's withdrawing from the New York America. Two years later he rescene. J.T. Tai, who sold most of signed. He had found himself the great archaic bronzes to be seen bogged down in administrative in American collections, has been chores and cut off from what he winding up his operation for the cared most about - objects and last five years. Another major dealcollectors. Like other experts, he er, Alan Hartman, recently closed did not like the new atmosphere - his gallery, Rare Art Inc., on Madi-"I had no wish to be another sort of apparatchik," Lally wryly notes.

Their semi-retreat takes place at the challenge of working in an anc-

Their semi-retreat takes place at tion house as an expert, which is in emerging as a major trading center being confronted with hundreds of for Chinese art after a prolonged objects and learning daily, no long-er worked. There comes a time into Sotheby's Chinese depart-

- an increase of \$5 million from the previous season.

Several factors account for the New York renaissance. It took a generation to erase the consequences of the law banning any imports from Communist China.

A second factor, Lally says, is the impetus given by the special con-sultant for Far Eastern art in the Metropolitan Museum, Professor Wen Fong of Princeton University. In New York, where interest in art often follows trends set by an institotion or a personality with a high profile, the impact on collectors

A third factor that Lally, with his reserve bordering on shyness, would not dream of discussing, is Lally himself. I have accompan him on visits to collectors, equally reserved and determined to shield their privacy, who, when handling objects in his company, thawed as he does too. He has undoubtedly stimulated some old collectors and nspired new ones. Moreover, he is the man who established a two-way traffic between New York and Hong Kong, attracting collectors and dealers from the Far East to New York and persuading New Yorkers to go to Hong Kong.

The location that Lally chose, the way in which he built up his stock, and the procedures for his opening exhibition all reflect his experience as an auction house man, as well as his personal tastes in art, and even the professionals he most admires. It is probably no accident if the premises he chose on 57th Street call to mind the London gallery of Ginseppe Eskenazi at 166 Picadilly. Both are above street level, allowing privacy. In both, the display, discreetly modern, is unassuming and leaves the objects to speak for themselves.



James Lally and Tang dynasty lion.

far and wide, traveling from New. York to Hong Kong and Europe. and produced a catalogue that deceptively looks like some of his last catalogues at Sotheby's, down to the dark blue background for a creamy sculpture on the cover. With a difference: the pieces are Lally's own choice, not that of a mixed bunch of vendors. They amount to what to any auctioneer would consider a dream sale.

Lally enjoys the rare advantage of combining the object lover's in-stant perception and the scholar's awareness of historical significance. His selection went all the way from neolithic pottery from the Gansu to enameled glass brush pots made under Qianlong (1736-1795). It is characterized by a mix of blockbusters (the most beautiful brouze bell of the Zhou period, of the seventh-sixth centuries B.C., I have seen on the market as part of a chime, of which another may be seen in the Arthur Sackler Museum at the Smithsonian) and of marvelous rarities not worth a great deal because they are so unobtrusive. His admirable bronze incense when you sift more and more to ment, yearly sales for the season To launch his gallery, Lally de- His admirable bronze incense learn less and less.

To launch his gallery, Lally de- His admirable bronze incense learn less and less. al procelain in the Chinese taste.

Above all, Lally felt that time In his last full season (1984-1985), proceeded much as he used to in with an openwork spiraling dragon was ripe for a new gallery in Chi-they had jumped to \$17.5 million the Sotheby days. He cast his net on the lid, has no known parallel.

Laily had sent out 100 cambigues and 400 invitations to the private viewing on Dec. 2, attendating that the sale would start at 6 P.M. By Dec. 1 at 10 P.M. four people were quening on 57th Street in a street fall. When Laily arrived at 53 M. on Dec. 2, two more had fained them. By noon, Lally had to mineral vise. Buyers would be allowed in according to arrival order intohished by ticket numbers. Find buyer would be imited to five items only On the first might 35 at

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II HEALTH

Dec. 17, only 10 remained appoid. with sales exceeding \$1 million. Buyers included two New York collectors, a Japanese agent dis-patched by a Tokyo syndiant, a London dealer representing a En-ropean collector, and five U.S. mu-seums. The stone figure of a Bodissativa that retains much of its original polychromy and can be dated to the first half of the seventh century now stands in the Cleveland Musem of Art Lally passed his inaugural exhibition test with flying colors. A new power has arisen in the international arena of Chinese art. And New York has

AUCTION SALES

Me Christian DELORME

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on Saturday

A Rap With Singer Eddie Money

DARIS - Eddie Money's Hold Back," still on the charts after by being thrown out of nightclubs, 22 weeks, came after a two-and-a- displaying a flair for profanity and half year hiatus. It has sold more a lifestyle based on whiskey, drugs than 500,000 copies and he bets it and wild women will soon be a million. The hit "I've cleaned up my act." he track. "Take Me Home Tonight" says. "but I guess at heart I'll al-

ey a Grammy nonination. The album is middle of the road niscent of the onetime Dead End banal and melodies on the com-mercial edge of tedium. The songs morning I danced in front of the are more short soap operas than mirror threw on my shades and poems. But it's well tooled, there is relaxed a little bit I think it's great

last week on a European promo. about being in love about growing tional tour, was born Edward Ma-up it's got a lot of redemption in it honey, the son of a New York City and a lot of feeling for the wife very boney, the son of a New York City and a lot of feeling for the wife very beattended the police acade. cop. He attended the police acade. successful in the States but break-my for a year, but hated it. "I me Europe is like you know a chick wasn't no Starsky or Hutch." When you fall in love with but you never he dropped out to sing with a rock know if you're going to get the last 'n' roll band, "my family disowned dance. I have a lot of confidence in me for a couple of years. It was this record the singing's good the heartbreaking. It also made me a material's good the musicianship's nervous wreck." His brother is a good and I'd like the entire world "super-heavy narcotics cop, which to hear it it would be nice to be an international recording artist.

Bill Graham, still his manager, smoking pot snorting cocaine par-

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SWITZERLAND

in 1977. Money's first, self-titled, album sold a million units and he "comeback" album, "Can't began to make the gossip columns

has earned the grainy-voiced Mon-ey a Grammy nonunation. ways be a street kid." His rat-a-tat nasal tough-guy street rap is remi-

nothing to seriously dislike and to be alive I made a great record form over content is the secret of I'm happily married and I have the charts. The 37-year-old Money, in Paris day. This new comeback album it's

"But I got a lot of ground to He moved to Berkeley, California, hung out with "big time radi-nia, hung out with "big time radi-cals" like Huey Newton, and drugs are easy to fall into when worked with Bay Area bar bands, you're working top 40 bars you The hard-boiled Fillmore promoter have a lot of chicks and you're



Eddie Money

put it on the side now what? After the years go by you start to get more sensitive and serious you wonder how long you're going to be around professionally speaking I bad to re-establish priorities I needed to meet the neighbors feed my dogs get back into myself. So I wrote songs and med to make sure my relationship was together with my wife buying new furniture for the house buying a pinno seeing friends I hadn't seen in years workout so I don't lose control of the real me. I write very autobiographically speaking there's a lot of sin-certy on the record and I think my fans bear it I have a lot of older fans and this album is developing yourger ones it's great to cover two generations.

"I'm not worrying about the money side right now just trying to keep the group together keep my voice together keep my weight down keep my wife happy keep me tying all night getting loaded like a madman but you think you don't lot of money I'm not going to get really need any of it your weight's inped off more than they say, down hey-hey your hair's long you're nuts. You don't consider but over and above that I trust long you're nuts. You don't consider but over and above that I trust long you're nuts. You don't consider but over and above that I trust long you're nuts. yourself an addict you're working it people I'm working with. I'll take a all off every night but finally I said good look at the end of this year I got a long year ahead of me.

DOONESBURY











Collector's Guide

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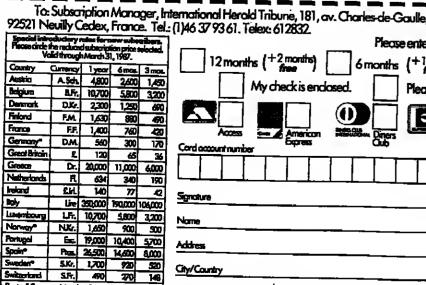
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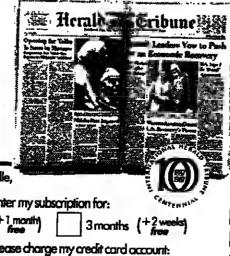
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ECONOMIC SCENE

Long-Term Benefits Seen From U.S. Restructurings

By JOHN H. KISSICK Los Angeles Times Service

OS ANGELES — Is the restructuring of corporate America good for the vitality of the United States or not? Unfortunately, public debate over corporate takeovers, leveraged buyouts and restructurings often focuses on the process: hostile raids, poison pills, shark repellents, "junk bonds," white knights, store closings and employee layoffs. Perhaps the most important question, however, is whether this seemingly frenetic activity will help the long-term competitiveness of the U.S. economy, and thus benefit companies, employ-

"Global competit-

ive pressures and

gluts are the roots

of restructuring."

ness of the U.S. economy, and thus benefit companies, employ-The public should take a good hard look at some of the criticisms of takeovers and

corporate restructurings and see if they bear scrutiny. Criticism No. 1: Takeovers waste investment capital.

In fact, takeover money goes to shareholders and either returns to the savings-investment pool or is spent on consumption, which in turn

stimulates the economy and leads to further investment. Most economists agree with Michael Jensen's study published in the Harvard Business Review stating that: "activities in the market for corporate control almost uniformly increase efficiency and

Criticism No. 2: Takeovers result largely from undervalued stock prices, and since institutions holding most of this equity are intensely competitive and oriented to the short term, managements are forced to focus on near-term earnings at the expense of long-term projects and research and development.

A Securities and Exchange Commission study shows that the stock market does not favor short-term earnings. It shows that institutions invest more in companies with the highest research and development expenditures and that most takeover targets have the lowest R&D expenditures within their industries.

RITICISM No. 3: The breakup of companies is bad for the economy. But as President Ronald Reagan's Council of A Economic Advisers notes, breaking up a company does not destroy its assets. It simply moves assets to managers who think they can use them more productively and are willing to pay a higher price for them.
Criticism No. 4: Takeovers and restructurings eliminate jobs

and hurt the U.S. economy.

Clearly, restructurings are likely to result in an overall loss of jobs in the short term. But the pressures to cut layers of management, to streamline what the deputy Treasury secretary, Richard Darman, called the "bloated corpocracy" of big business, to increase productivity and to become more competitive with international exports, will be the pressures that ensure jobs in the

As the economist Edward Yardeni, who also has deep misgivings about the impact of restructurings on employment, has stated, "Global competitive pressures and gluts are the roots of

"If the Icahns and Pickenses don't do it," he said, referring to Carl C. Icahn and T. Boone Pickens, two U.S. takeover specialists, "the Japanese will do it for us by putting our companies out of business and taking what's left in their markets."

Criticism No. 5: The restructuing of corporate America is resulting in an over-leveraged United States.

In a recent column, Professor Richard Ellsworth expressed prefixed the opposite concern about leverage, which is a compara-

precisely the opposite concern about leverage, which is a compamy's use of supplementary non-equity capital, such as senior securities or borrowed money, to increase the returns on equity. His question was: "Given the increasing concern over America's competitive decline in world markets, can U.S. companies afford to have so little leverage?"

The percentage of debt in the capital structure averages 66

See SCENE, Page 11

Currency Rates

1,1375 8,7444 2,5622 6,8631 1,468,19 2,5224 42,6722 1,7862 173,366 1,2676 8,2598 2,2924 7,448 1,462,33 2,5967 47,5219 1,5213 193,207

Stocks Hit High Nikkei Average

Japanese

Passes 20,000 TOKYO - Institutional inves-

tors drove the Japanese stock mar-ket's key index, the Nikkei 225stock average, beyond 20,000 for the first time on Friday. Faced with historically low inter-est rates, buyers flush with cash but

with few investment alternatives pushed the average up 127.30 yen to 20,048.35 yen, its seventh record

in as many days.

Analysts said there were no fresh incentives for high prices. "It is just a passing point," said Takahiro Mikami, executive director of Wako Securities Co. Securities Co. The average has risen 53 percent in the past year. The rise has been

attributed to a boom on Wall Street and a sharp appreciation of the yen, which has prompted compa-nes to speculate in stocks to make up for currency losses.

The average hit 10,000 yen only three years ago in January 1984.
Yoshiyuki Wariishi, director of
Nikko Securities Co., said prices
would climb further amid prospects for even lower interest rates. The Bank of Japan, faced with a

record-breaking appreciation of the yea, is expected to reduce soon its official discount rate, the fee for short-term loans to commercial hanks, by half a percentage point to 2.5 percent, a record low. It would be the fifth reduction in a year.

Kenichi Tato, stock manager at Nippon Life Insurance Co., said the current buying centered only on financial stocks and some large-

But, he said, "institutional inves-tors, including life-insurance com-panies, still have room to buy

Some analysts foresee a halt in activity after the expected dis-count-rate cut and the listing of Nippon Telephone & Telegraph Corp. on the Tokyo Stock Ex-change on Feb. 9.

Public bidding for NTT, the for-mer state-run telecommunications monopoly, has raised the share price to almost 1.2 million yen (\$8,000) from a face value of 50,000

institutional investors, mainly trust banks, life insurance companies and investment trusts, have led

and Nagoya last year.

Stockholm **Sets General** Price Freeze

STOCKHOLM - The government imposed a general price freeze on most goods and services on Friday in an effort to head off labor negotiations that could fur-ther fuel inflation.

Closings in Landan and Zurich, fibins in other European centers. New York rates of 4 P.M. (a) Commercial frame (b) Amounts needed to buy one sound (c) Amounts needed to buy one sound (c) Amounts needed to buy one dollar (*) Units of 100 (z) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (*) To buy one pound: \$U.\$1.514 A clause in the two-year national says Swedish unions may renegotiate wage contracts if inflation exceeds 3.2 percent. The 1986 rate was 3.26 percent, so unions formally have the right to seek renegotia-

Finance Minister Kjell-Olof

mions so they did not ask for rane show a second consecutive year of gotiations on the collective agree-reduced profits. Wall Street critics

short-term, but he refused to predict its duration. The last time the government im-

of goods and services.

West, Sweden's relatively good inflation performance last year was for any substantial closings of attributed largely to lower energy costs because of the shump in oil prices will be higher in 1987.

by European standards. Six slices of sandwich meal costs the equivalent of about \$1.65, a box of break-fast cereal almost \$3, a can of sorp to react, he conceded. We had a about \$1.50, a loaf of bread about lot of new people in place who \$1.30 and a pack of cigarettes al- might not have reacted quickly



Underdog Role Haunts Dragonair

Chinese Stake in Cathay Stuns Tiny Hong Kong Carrier

By Patrick L. Smith

A Dragonair plane on

Helmut Sohmen.

right, the carrier's

the chairman and

biggest shareholder,

the ramp in Hong Kong;

managing director, and Sir Yue-Kong Pao,

HONG KONG — For Hong Kong Dragon Airlines, the small passenger carrier that is challenging the supremacy of Cathay Pacific Airways Ltd. here, the lumar calendar's Year of the Tiger ended on a decidedly mixed note.

On the positive side, the Hong Kong civil aviation authorities this week licensed Dragonair to operate 21 new routes, giving the carrier its first substantial opportunity to begin generating a steady flow of cash. At the same time, rival Cathay Pacific Airways

appears to have dramatically upstaged Dragonair in the two airlines' efforts to win acceptance here Both of these developments came in a single day

earlier this week. As a result, the Year of the Rabbit, which began Thursday, suddenly seems to hold as much uncertainty for Dragonair as it does Since it was formed 18 months ago, Dragonair's struggle to survive has centered chiefly on winning

fleet and on developing the few routes it has already been granted. In this it has routinely encountered objections from Cathay, Hong Kong's unofficial flag carrier,

the right to build a network of routes for its tiny

and what Dragonair says is a discriminatory avia-tion policy based largely on the British "old-boy network," Hong Kong section.

Now Dragonair faces an altogether new chal-lenge. On Thesday, Cathay announced that a mainland merchant bank, China International Trust & Investment Corp., would become a 12.5 percent shareholder in Cathay. CITIC, as the Chinese institution is known, is to

pay \$249.3 million for 212 million oew Cathay shares and 146 million shares currently held by Hongkong & Shanghai Banking Corp.

Cathay's parent, Swire Pacific Ltd., is to retain a

One question raised by the transaction is whether CITIC and similar Chinese institutions are functioning more or less independently or whether the move represents an abrupt decision by China to support Cathay in its long-running battles with

Analysts also question whether Swire Pacific's link with a mainland enterprise represents an alter-native to the course chosen by Jardine Matheson three years ago when it moved its headquarters to

CITIC, which has been diversifying its activities See DRAGONAIR, Page 11

Japan's Surplus In Trade Soars 75%, to a Record

TOKYO - Finance Ministry officials said Friday that, despite the effects of a stronger yen, Japan's current-account surplus soared 75 percent in 1986 to a record \$25.97

The bloated surplus, which compares with the previous record of \$49.17 billion in 1985, resulted largely from increased exports of merchandise to industrialized natioos, particularly the Uoited States, the officials said.

The enrrent account is the broadest measure of a oution's trade, and includes goods, services and short-term interest dividends.

Japan's merchandise-trade surplus alone was a record \$92.66 bil-

lion last year, a 66 percent increase from \$55.99 billion in 1985. The nation's long-term capital outflow also doubled to \$131.81 billion last year from \$64.54 billion

in 1985, the ministry said. The current-account surplus for

December also se, a monthly re-cord, at \$9.4 billion. The figure compares with \$8.14 billion in November, The previous

record monthly surplus was \$9.1 billion in September. Japanese exports totaled \$205.56 billion last year, with \$80.4 billion, or 39 percent of that amount, imported by the United States, ac-

cording to preliminary customs clearance figures.
Imports came to \$112.9 billion, with the United States accounting for 26 percent of that figure, the

figures showed. Japan reported a deficit of \$4.33 billion in services, or "invisible" trade, following a \$5.16 billion def-icit in 1985, ministry officials said. The record 1986 balance in Ja-

pan's current account came despite the yen's appreciation of about 60 percent against the dollar since leaders of live industrialized countries agreed in September 1985 to drive down the U.S. currency's val-ue to help redoce the U.S. trade

While the high yen has failed so far to curh the country's trade sur-

Japanese goods abroad. The volume of business has declined sharply as a result in yen terms. damaging companies' confidence and prompting efforts to reduce labor costs.

The ministry, underlining that trend, announced Friday that the unemployment rate rose to 2.8 percent in 1986, the highest figure since Japan adopted its current sys-tem of calculating jobless statistics in 1953. The jobless rate was 2.6

Officials said that the increase reflected the reluctance of Japanese manufacturers to hire workers amid a slump in overseas sales of

Japanese cars, steel and other Haruo Muio, an economisi with the Bank of Tokyo, said that uoemployment could rise to 3 percent

this year, which is low by European and U.S standards but a politically explosive figure in Japan. Despite the trade results, Japan's surpluses should decline in 1987 as

the drop in trade volume is reflected in dollar values, analysts said.
"The yen is stronger and Japa-nese goods are not being bought" at the same levels "in the United States," said the chief economist of

the Long-Term Credit Bank of Ja-pan, Nobuyoshi Araki, "Last De-cember should be the peak." U.S. pressure on Japan to do more to fuel its domestic economy and thereby increase imports is also

certain to continue, economists Japan is widely expected to an-nounce a cut in its official discount rate as one way of stimulating

growth by making it cheaper for impanies to borrow funds. Economists said that the record current-account and trade surpluses could foil Tokyo's efforts to stabilize the value of the yen against

the dollar in the short term. "We should brace for turbulence in the currency market," said Akio Kohno, the chief economist for Daiwa Securities.

(AFP, Reuters, AP)

The Paribas Sale: An Embarrassment of Riches

By Claire Rosemberg

Net purchases by domestic insti- ment, caught off guard by the runaway success tutional investors hit a record 6.38 of its latest sale of a state-controlled enterprise, trillion yen on Japan's three major may face the embarrassment of having to back-stock exchanges in Tokyo, Osaka track on a major promise it made to investors.

The government of Prime Minister Jacques Chirac is studying how to keep a promise that individual investors would be able to purchase at least 10 shares each in Cie. Financière de Paribas, the big French banking group that is being denationalized.

The sale of Paribas is part of a 300 billion franc (\$51 billion) program to return 65 companies to the private sector by March 1991, reducing to 10 percent from 28 percent the state's direct stake in the economy.

The rush for shares in Paribas, which went on sale last week, is expected to far exceed the demand for the first group privatized, Cie. de

shares for small investors at 405 france (\$67.50) each. But Finance Minister Edouard Balladur

vately that to do so might require dipping into 6.7 million shares earmarked for foreign buyers and 8.5 million set aside for long-term institu-

The alternative — issuing fewer than 10 shares each — would raise problems in a year or so. Buyers who hold onto their shares until then have been promised one free share for every 10 they own, a major incentive for new investors.

Mr. Balladur brushed off the potential com-

Saint-Gobain, a major maker of glass and iron pipes. That offer was 14 times oversubscribed.

The government has set aside 14.7 million

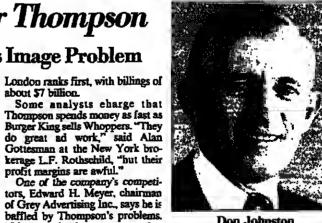
Tuesday, "The French are showing their faith in our policies."

Public enthusiasm for the Saint-Gobain and Public enthusiasm for the Saint-Gobain and Paribas issues has stilled fears that the flood of share offerings could give the Paris Bourse

> Meanwhile, professional investors complain that priority for small shareholders has squeezed them out of privatization, skewed the market, and breached the Chirac doctrine of economic bberalism.

In a bid to discourage speculation, the Finance Ministry last week told brokerage houses and banks, under threat of legal action, to stop displaying pre-issue "gray market" quotations for Paribas on dealer screens.

The screen quotes, aimed at professional traders, valued Paribas shares at 480 francs, nearly 20 percent higher than the official issue price. Mr. Balladur later termed the move "an error and changed his mind.



Don Johnston

Baker Says U.S. Is Considering A G-5 Meeting

WASHINGTON - The United States is "giving some consideration" to a meeting of the Group of Five industrial nations, though there are "oo present plans for a G-5," Treasury Secretary James A. Baker 3d said Friday.

"I think it's clear there is some consideration being given to the possibility" of a meeting, Mr. Baker said in response to a question from the Joint Eco-He also told the committee that Washington had not been pushing for a decline in the dollar in the past year.

In Tokyo, Japanese officials and Western diplomats said Friday that Japan was continuing to press hard for a meeting but that Britain and West Germany appeared reluctant. The diplomats attributed their hesitancy to fear that the dollar would fall sharply if the group met and failed to agree.

West German sources said that, despite official doubts about the usefulness of a meeting, Bonn would not refuse to participate. The Group of Five comprises West Germany, Brit-ain, France, the United States

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Feldt said prices of most commodities would be frozen at their Jan. 28 levels until further ootice. There will be exemptions for some fresh produce, rents, tobacco and gasoline, the government statement said. The price of gasoline is al-

must be broken," said a statement from the Social Democratic gov-

He said the measure should be

As in much of the rest of the

Despite the low 1986 inflation,

most \$2.30.

"We are facing a few critical weeks at present." Mr. Feldt said.

"We must capitalize on the slowdown in wage costs and we are chairman of J. Walter Thompson telling industry it should not pass Co. and heir apparent to Mr. Johnhigher costs on to the consumer." (AP, Renters) gain early control of the company

said Toesday that small shareholders might not get their promised 10 shares. Mr. Balladur told a television audience oo Toesday that he would do his best to honor the 10-share promise. But officials admitted pri-

tional investors.

plications. "I would rather be burdened by success than submerged by failure," he said

A Selling Job for J. Walter Thompson Dismissals Add to Troubled Ad Giant's Image Problem

By Bruce Horowitz Las Angeles Times Service NEW YORK — The advertising giant J. Walter Thompson Co. sud-denly has a selling job to do on its own behalf: convincing clients that one of the oldest American ad companies is still up to the job. After the events of this week,

that will oot be easy. On Monday, the chairman was dismissed. Late Thursday the president was let go. ady controlled.

While the 123-year-old company generally gets high marks for its creative work, advertising industry executives and analysts say it is bloated and poorly managed. Two Mr. Feldt said he hoped that the weeks from now the company is price freeze "would influence the expected to release results that

say Thompson's creativity is eclipsed only by its spending. While many advertising companies began making substantial staff cuts early last year, J. Walter posed a general price freeze was in Thompson was among the last to March 1985. It ran until October shrink its payroll. Nearly 200 work-1985, though it was gradually re- ers were let go last year, primarily pealed over the period for a variety from the New York office. Although the agency saved some money in 1986 by shutting down its Washington office, it has no plans

branches worldwide. "It's not like running a factory prices, and it is widely feared that line," Don Johnston, chairman and chief executive of JWT Group, said Thursday, "You can't just go shut-Swedes pay costs on the high side ting down lines in a business like In a lousy year for most ad agen-

through a leveraged buyout. On Thursday, the company said John E. Peters, 55, president and chief London ranks first, with billings of about \$7 billion. Some analysis charge that Thompson spends money as last as Burger King sells Whoppers. "They do great ad work," said Alan Gottesman at the New York brooperating officer of the ad division,

"It's a paradox how an agency that performs so well for its clients can't

get its own act cleaned up," he said.

J. Walter Thompsoo named

eight company executives to its board Friday, increasing the num-

ber of directors to 26, Reuters re-

The appointments had been con-templated before the dismissal of

Mr. O'Donnell, a spokesman said

The board decreased in size to 18

from 20 when Mr. O'Donnell and

ported from New York.

■ Agency Expands Board

was also let go, reportedly for sup-porting Mr. O'Donnell's plan. Mr. Johnston said he had spent much of his time on the telephone for the past week trying to calm clients. He said he had spoken with 40 JWT office managers worldwide and 30 key advertisers, telling clients such as Burger King Corp., Miller Brewing Co., Eastman Ko-dak Co., Chevron Corp. and the U.S. Marine Corps: "I see a period of stability abead."

Stability, at least with clients, has long been a hallmark of the company, which says its 20 largest clients have used its services for an average

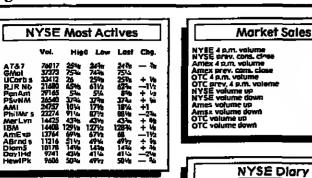
of 30 years.

JWT Group employs 9,800 people worldwide, one of the biggest payrolls in the industry. Its divisions expect to post combined 1986 worldwide billings of about \$3.6 billion, ranking fourth internationally. Saatchi & Saatchi Co. Inc. of Mr. Peters left.

> BANQUE DE GESTION PRIVÉE Geneva, Switzerland

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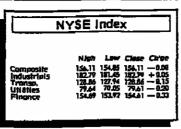
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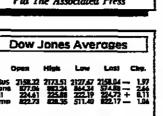
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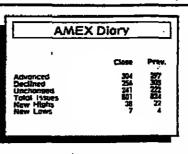


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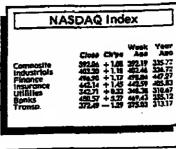




Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere



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N.Y. Prices Dip in Profit-Taking

utures-related selling. Trading was active, but noticeably slower

than in recent sessions. The Dow Jones industrial average slipped 1.97 points to 2,158.04. It had fallen 18 points in early afternoon trading.

Declines narrowly outnumbered advances. Volume amounted to about 163.36 million shares, down from 205.25 million Thursday and dramatically below the record 302.46 million traded the previous Friday.

Broad market gauges slipped. The New York Stock Exchange composite index slid 0.08 points to 156.11. Standard & Poor's 500-stock ndex lost 0.16 to 274.08. The price of an aver-

age share fell 2 cents.

The Dow set record highs 15 times in January, climbing 262 points, or 13.8 percent, of its value on Dec. 31. Declines on Thursday and Friday were the first back-to-back losses for the market this month.

"Friday's action has nothing to do with anything a rational person might think," said Albert Goldman, a market strategist at A.G. Edwards io St. Louis, "The market waso't concerned with the better-than-expected trade

deficit data or with any particular news development. It was just calling 'time out." Mr. Goldman said that Friday's decline in

slower trading was a positive development. "The sign of a healthy market is that it can get very 'overbought' in a short period of time and then not collapse," he said.

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Although the market climbed dramatically in NEW YORK — Prices on the New York
Stock Exchange finished narrowly lower Friday
after late buying erased sharp losses caused by
profit-taking ahead of the weekend and limited

Although the market climbed dramacany in
January, Friday's pullback was "very calm," he
observed. He predicted that stock prices would
have a week or two of rest and recuperation
before moving higher again. have a week or two of rest and recuperation before moving higher again.

Traders said that the government's report

that the U.S. trade deficit shrank to \$10.7 billioo in December inspired some profit-taking in stocks of American companies with multina tional markets. Gold fell sharply, and the dollar rallied on

news of the unexpectedly narrow December trade deficit.

Traders said that a rebounding dollar might alleviate inflation fears in the credit markets, eventually leading to higher bond prices and lower interest rates. Most of the bull market's gains have been attributed to low rates.

AT&T was the most active NYSE-listed issue Friday, sliding 1 to 24%. On Thursday, it reported a sharp drop, in earnings that incloded a previously announced pretax charge of \$3.2 billion.

General Motors followed, unchanged at 7514 Union Carbide was third, rising ¼ to 25%.

Among other actively traded blue chips, IBM edged up 1/4 to 1281/4 and American Express fell 11/2 to 68.

Dow Chemical fell 1 to 71% as a rebounding dollar prompted some profit taking in dollarsensitive issues. Among high-technology issues, Unisys fell 2½ to 93% and Hewlett-Packard slid ¼ to 50%.

Cray Research rose 21/4 to 11% and Digital Equipment added 4 to 145%. Tobacco stocks were active. Philip Morris fell 24 to 8812, RJR Nabisco slid 1% to 62% and

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WORLD MARKETS EN REVIEW

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BUSINESS ROUNDUP

Ford-Werke Will Post Profit for '86

By Ferdinand Protzman International Herald Tribune

FRANKFURT - Ford-Werke G, the U.S. automaker's West German subsidiary, will post a sold profit for 1986 after two years of severe losses and corporate restructuring the chairman of its managing board said Friday.

In a separate report, the West German automaker Audi AG reported Friday that its sales rose 4 percent last year to 10 billion DM, according to provisional figures, from 9.6 billion DM in 1985. But it did not release earnings figures.

Daniel Goeudevert said in a statement that Ford-Werke was in the "deep black" for 1986, but he did not provide a specific profit figure. Ford-Werke posted oet losses of 251.1 million Deutsche marks (\$140.9 million at current exchange rates) in 1985 and \$298.1 million DM in 1984.

Burton Holders Pass Stock Plan

LONDON - Shareholders to the British retail chain Burton Group PLC have approved a much-debated share option plan that could give huge bonuses to the company's senior executives.

Burton also reported Thursday that it nearly doubled its pretax profit last year, to £148.7 million (\$227.5 million) from £80.2 million the previous year.

Burton, whose share price has been depressed by the controversy and by rumors, later denied, that the government was about to start an inquiry into its share dealings, won approval of the stock plan by 97.9 million votes to 53 million. Critics of the plan, reserved for 80 senior executives, said beoefits from Burton's growth should go to shareholders or employees.

Ford-Werke said the return to the U.S. market had added luster to profitability resulted from a change in its sales strategy following two years of cost-cutting and streamlin-

ing of its operations. "Ford has become leaner and more efficient." Mr. Goeudevert

After focusing in 1984 and 1985 Ford-Werke shifted its sales emphasis to maximizing profit. Its 10.7-percent share of the West German auto market in 1986 was off slightly from 10.9 percent the previous year, the company said.

Passenger car sales rose 9.8 percent last year to 893,618 units from 813,647 units in 1985. Exports climbed 7.4 percent to 590,129 cars from 549,378.

Auto industry analysts agreed with Mr. Goeudevert's ass of Ford-Werke and said that the success of two German-built Ford models, the Scorpio and Taurus, in

the executive's reputation.

Audi officials, meanwhile, said car production would rise to more than 400,000 units in 1987 after slipping to 384,000 units last year from 392,000 in 1985.

Audi, which is 99 perceot owned by Volkswagen AG, did not release on increasing its market share, earnings figures. In May, company officials said that its 1986 profit was unlikely to equal its record net of 221 millioo DM for 1985.

Audi's outo sales in the United States, its main export market. slipped last year to 60,000 units from 75,000 cars in 1985. But the company said it was aiming for U.S. sales of 80,000 cars this year.

Lutz Schilling, a spokesman for Audi, said that the company's image in the United States had suf-fered because of reports of sudden. uncontrolled acceleration by some of its cars from a stationary posi-

Dollar's Fall Hits Swiss Watches

Renters

BIEL Switzerland - Swiss watch exports, hurt by the falling dollar, dropped slightly in value last year after a record in 1985, even though the number sent abroad rose by 6 percent.

the industry said Friday. Exports totaled 4.27 billion Swiss fraces (\$2.84 billion), down by I percent from 1985. according to the Federation of Swiss Watchmakers. The number of watches, clocks and movements exported rose to 61 million, but this was more than

wiped out by the weaker dollar. The industry is Switzerland's fourth-largest export earner. Almost half of the industry's business is carried out in U.S. dollars and further declines in the value of exports are expect-

TWA Earns \$85 Million LTV Reports In Period on Gain From Sale Operating Profit

DALLAS - LTV Corp. said Friday it posted a oet loss of \$453.4 million in the fourth period, reporting operating earnings of \$21.7 million and net income of \$85 million. quarter, considerably wider than \$75.7 million a year earlier, but had an operating profit, taking into account a \$600 mil-

lion charge related to Chapter 11 proceedings. For the year, LTV had operating income of \$171.9 million. against a loss of \$88.7 million in 1985, Including special charges of \$3.24 billion related to reorganization under Chapter 11 of its computerized reservation serthe Federal Bankruptcy Act,

however, it posted a net loss of \$3.25 billioo for the year, LTV said fourth-quarter opcrating income from steel was profitable on an operating basis. \$130.5 million Operating revenues were \$856.9

NEW YORK - Trans World Airlines swang into profit in the fourth quarter, usually its weakest

The figures, which result in a oct profit of \$2.36 per share, compare with a net loss of \$123.4 million and an operating loss of \$91.5 million in the fourth quarter of 1985. Had it opt been for an extraordi-nary gain of \$134.6 million from the sale of a 50-percent interest in

vice, TWA would have posted a \$50 milbon net loss for the quarter. But analysts said Thursday that the airline was making considerable progress toward becoming million in the quarter, up 2 percent from \$839 million in the comparable 1985 period.

For the year, TWA had a net loss of \$106.3 million, a 45 percent improvement from 1985's loss of 193,1 million, 1986 revenues fell

16 percent to \$3.1 billion. Analysts said that fourth-quarter results were further evidence of the carrier's recovery under Carl C. Icahn, the investor who gained control of TWA a year ago with the help of two unions that agreed to

wage cuts. TWA has "done a good job on the cost side," said Michael Derchin of First Bostoo Corp. He also cited Mr. Icahn's strategy of shifting airplanes from trans-Atlantic routes to Florida and Caribbean routes to the winter, when international travel declines.

COMPANY NOTES

Chrysler Corp. scheduled five U.S. car and truck assembly plants to work overtime in the week of Feb. 2. It also scheduled four assembly

plants to work on Saturday, Jan. 31.

DMR Group Inc., an information management company based in Montreal, has agreed to buy Corsys Belgium SA, a private informa-tion management company with annual sales of about 4.2 million dollars (\$3.14 million). Terms were not disclosed.

Dumez Investments Inc., which is 70-percent owned by Dumez.SA, a Paris construction company, and 30 percent by Unicorp Canada Inc., said it has started a tender offer for all shares of Westburne International Industries Ltd. at 20 Canadian dollars (\$14.90) a share. General Motors Corp. has begun a worldwide

industrial cleaning venture with ARA Services, to be called GM-ARA Industrial Cleaning.

Honda Motor Co. has bought a supercomputer from Cray Research Inc. of the United States for \$7 million to enable it to calculate the aerodynamic drag of car bodies, engine combustion efficiency and to simulate crash tests.

ITT Corp. has consolidated all of its worldwide automotive products units into a oew entity called ITT Automotive Inc. with annual sales of about \$2 billion. The units include Alfred Teves GmbH of Frankfurt, ITT North America Automotive, ITT Electrical Systems Group, SWF Auto-Electric GmbH of West Germany, Lester Industries, ITT Hancock. Koni of the Netherlands, ITT Industrie Riunite of Turin and ITT Highee.

Kokusai Motorcars Co. of Tokyo has agreed to buy the Hyatt Regency Maui, Hawaii, for \$319 millioo in cash from an investment part-oership affiliated with VMS Realty Inc. of Chicago. The property will continue to be managed by Hyatt Corp., which operates 123 botels

MCI Communications Corp. has begun digital satellite communications services to Britain Belgium, France and West Germany. MCI, said it will also offer digital private-line service to

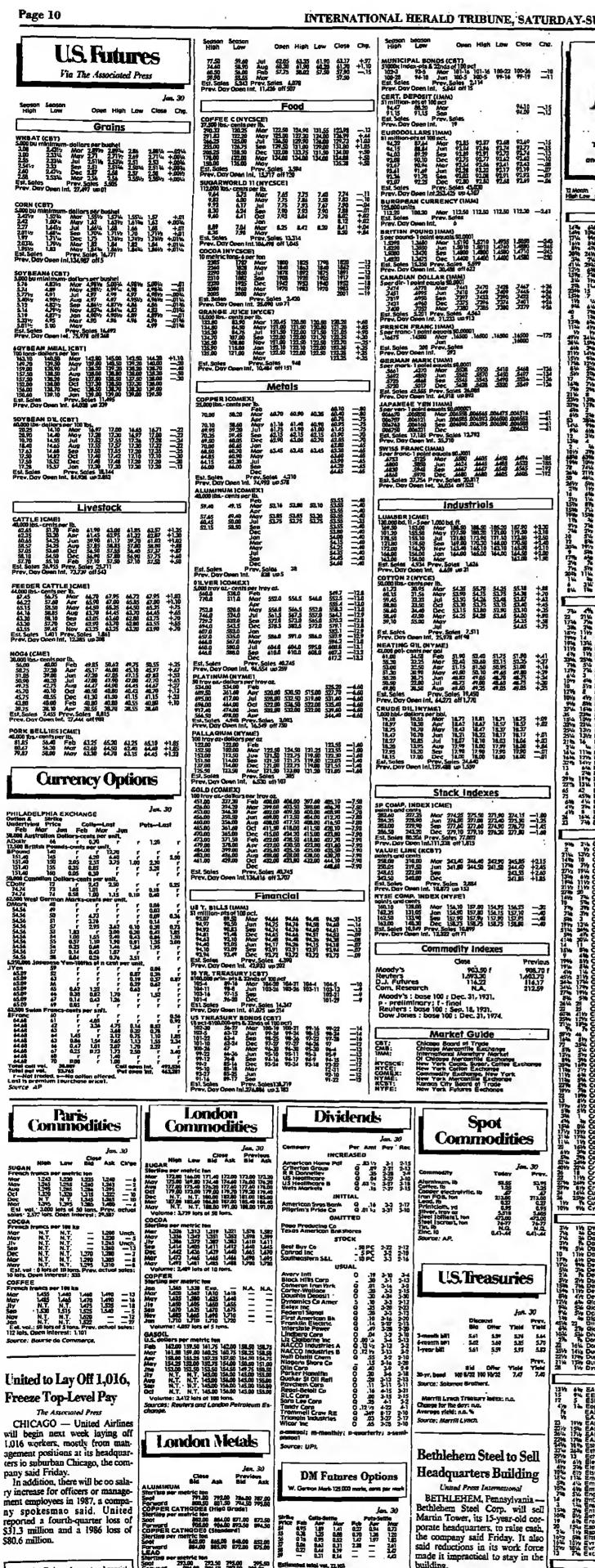
the Pacific Basin beginning in April.

Pratt & Whitney, a unit of United Technologies Corp., has signed a \$100 million contract with China to supply 16 PW-4000 engines to be used in Boeing 767s. It said that China is one of the company's biggest customers.

ADVERTISEMENT INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed)

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Fridays



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To Our Readers

S & P 100 index option prices were not available in this edition because of transmission delays.

building.
The asking price for the 21-story building, two-story annex and 55 acres (21 bectares) has not been

determined. Bethlehem recently announced a profitable quarter for only the third time in almost six years. The company has lost about \$2 billion since 1981.

reported a fourth-quarter loss of \$31.3 million and a 1986 loss of

\$80.6 million.

ANATA WANA PROMOTE THE PROMOTE AND A SECOND TO THE PROMOTE THE P 225 E4 39 21 124 36 25 16 Sentenced in Fraud Case The Associated Press

NEW YORK — A former Morgan Guaranty
Trust Co. official who pleaded guilty to misappropriating millions of dollars from Brazilian
depositors' accounts was sentenced Friday to
three and a half years in prison.

Antonio Gebauer, a Venezuelan national,
was also fined \$100,000. Prosecutors said Mr.
Gebauer, a former senior vice president at Morgan, stole more than \$4.3 million from February
1976 until he left Morgan on Aug. 30, 1985, to
become an investment banker at Drexel Burnham Lambert Inc.

Former Morgan Official

The Associated Press

ham Lambert Inc.

Prosecutors also said Mr. Gebauer admitted evading taxes on \$3.4 million in income. Based on an amended income tax return he filed lare last year, they said, he owes \$6.9 million to the government, including interest and penalties.

Hong Kong Investment Firm

Acquires 5.1% Stake in Resorts

WASHINGTON — Industrial Equity (Pacific) Ltd., a Hong Kong investment turn, has acquired 289, 100 shares of Resorts Internation-

acquired 289,100 shares of Resorts International ine, or 5.1 percent of the company's outstanding stock, Industrial Equity told the Scenities and Exchange Commission on Friday. Industrial Equity, which is principally owned by Brierley Investments Ltd. of New Zealand, said it bought the stake for \$14 million for investment purposes. It said it might acquire more Resorts stock but had so plan to seek control of the company.

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AMEX Highs-Lows

CURRENCY MARKETS

Dollar Up Sharply on Trade Figures Takeover Effects

Compiled by Our Staff From Dispatches NEW YORK -- Better-than-expected figures for the U.S. mer-chandise trade deficit propelled the dollar strongly ahead Friday in New York and Europe, although it finished down from the day's highs.
The December deficit of \$10.66 hillion was well below the expected \$14 billion to \$15 billion

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The dollar had risen even before the Commerce Department released the trade figures. Suspicions of a leak came when one foreign customer made a \$1 billion purchase of dollars through a U.S. investment house just before the fig-

After the trade figure came out, the dollar shot up to almost 1.8450 Denische marks, but drifted down again when the Treasury secretary, James A. Baker 3d, said that what has happened to the dollar has been beneficial."

London Dollar Rates						
Closing Destache merk	FrL	Thu.				
People starting	1. 5136 1.5135	1.700) 1.530)				
Japaneso yen Swiss tranc	153.68 1.503	152.00				
French frenc Source : Reviers	0,1047	5.9775				

He also said the improved trade figure should not be overempha-

However, the dollar was up more than 4 pfennigs on the day, closing in New York at 1.8340 DM, against 1.7920 DM Thursday. It also closed at 153.75 yen, up from 152.60; at 6.1145 French francs, up from 5.9775; and at 1.5470 Swiss

francs, up from 1.5065.

The dollar was also higher against the British pound, which closed at \$1.5140, against \$1.5355

Mr. Baker did not rule out a the Group of Five industrial countries, West Germany, Japan, Britain and France, although he said there were no plans for a meeting.

in London, the dollar was also more than 4 pfennigs higher, closing at 1.8320 DM, against 1.7888 Thursday. It was also higher against the British pound, which closed at \$1.5135, against \$1.5380

In earlier European trading, the dollar was fixed at midday in Frankfurt at 1.8085 DM, up from 1.7823; and at 6.0335 French francs in Paris, up from 5.9500. It closed in Zurich at 1.5465 Swiss francs, up from 1.5045 Thursday, Overnight in Tokyo, the dollar closed at 152.65 yen, up from

152.05 Thursday. (UPI, Reuters)

(Continued from first finance page) meeting with his counterparts in percent for Japanese manufactur-

ers and 64 percent for West German factories, more than twice the 30 percent of their U.S. counter-

Leveraging lowers the after-tax cost of capital by substituting debt, with tax-deductible interest, for higher-cost equity. And it helps less profitable companies grow more quickly than they might otherwise investments that U.S. companies would find unacceptable.

Consequently, since the 1960s, net fixed investment as a percent-age of U.S. gross domestic product the total output of goods and services minus income from abroad
—has significantly lagged the German and Japanese figures.

John H. Kissick, an executive vice president with Drexel Burnham Lambert, is in charge of the compa-ny's West Coast corporate finance

Raising '87 Tally to 17

purchase is the most severe blow yet to Dragonair. Since the airline was founded, its local ownership and its strong backing from China have been viewed as guarantees of its long-term survival.

Now, these analysts assert, Dragonair has lost its strongest suit: its claim that Cathay is essentially a British concern whose formnes are, be able to do and to undertake certain to decline after 1997, when China regains sovereignty over Hong Kong

"Of course, m a sense this is a setback," said Helmut Sohmen, Dragonair's managing director, in an interview after Cathay's announcement. "China is important and China's goodwill is impor-

Mr. Sohmen and other Dragonair executives are clearly confused by Cathay's new link with China, particularly as it appears to have been forged at CITIC's suggestion. But Mr. Sohmen does not accept that life as a distant No. 2 will necessarily become untenable.

"The argument now is that things will be more difficult for us," he said. "But we still believe there's room for two in Hong Kong and we still intend to develop a second airline here, even if Cathay's longterm interests are protected."

Until recently, Dragonair's ac-tivities were limited to flying un-scheduled charters into China and elsewhere in the region. But in December it began scheduled service cember it began scheduled service dispute.

to three secondary cities in Thailand and acquired its second airin mid-1985, it was criticized, ironi-

craft, a Boeing 737.

(Continued from first finance page) Bangladesh; Katmandn, Nepal, who also serves as Dragonair's Despite Dragonair's emphasis so

By the end of this year, Mr. Sohmen said, the carrier will have four Hong Kong stock market. Cathay aircraft. It is already committed as is clearly pleased that it, too, now aircraft. It is already committed as

"Everyone seems to see it as their job to grind us down."

> --- An executive of Dragonair

customer for the McDonnell Douglas MD-11, which is being de-

This would be a lot for even an established airline to digest. Apart from the implicit challenge to Dragonair's guanxi, or personal rela-tionships, in China, the Cathay-CI-TIC link may be something of a moot point, some industry watch-

s suggest.
"If the Cathay deal is a hurdle, the road. it's a hurdle so far down the road that it's not relevant to the present situation," said Carlton L. Poon, a senior analyst here for James Capel & Co., the London stockbrokerage.

Neither Mr. Sohmen not any other Dragonair executive will comment directly on Dragonair's capital commitments. But analysts believe the airline, which is privately held, has spent some \$10 million. a figure that airline officials do not

cally, for having too many main-Now it is to begin developing the 21 new routes that were granted by Hong Kong's Air Transport Licensing Authority on Tuesday.

These include flights to 14 cries. It leavest the appropriate to the force of the company to many many than the company that the comp

in China, bringing its total of main-land Chinese destinations to 22. 36 percent, is Sir Yue-Kong Pao, its largest shareholder now, with The other routes are to Dhaka, the property and shipping magnate

DRAGONAIR: Chinese Stake in Rival Stuns Hong Kong's No. 2 Carrier

has a link with China and presum-

ably a more certain future. Although Cathay has emphasized the political advantages of its new relationship, market analysts say that the capital injection from CITIC cannot have been unwel-

With long-term debt of roughly
\$830 million, according to its share
job to grand us down," said a Draprospectus, Cathay has a debi-toecmity ratio of nearly 6 to 1.

for some time, will have one seat on Cathay's board.

For many smalysts, the share purchase is the most severe blow.

By the end of this year, Mr. Soh
Cathay's board.

Swire Pacific, in turn, "localized" Cathay last year by floating and of the status of a "feeder" carrier.

Officials now plan to renew applications for routes to Shanghai and Beijing that were turned down last year. Eventually, they want to develop a route structure that takes in the western coast of the United States and to compete with Cathav on long-haul flights to Europe and

gonair executive. "We're just not going to be ground down."

THE EUROMARKETS

Eurodollar Bond Prices Slip Amid Confusion

By Norma Cohen

Renters
LONDON — Prices of Eurodollar bonds closed slightly lower Fri-day as investors sifted through conflicting signals about the direction of the U.S. currency, dealers said.

cifically offered investors the opportunity to bet that the dollar had Reports earlier Friday of a low-

er-than-expected U.S. trade deficit a discount of about 1.6. helped the dollar recover some of the ground it had given up over- a 4-pfennig range Friday, the great-But traders admitted later to be-

ing mystified by remarks from In trading earlier Friday, when James A. Baker 3d, the U.S. Treathe dollar was at its lows, Scandan-

plays or those that are tailored for any 1989.

the Japanese investor," B trader New issues capitalized on that One of the oew issues that ap-confusion, including three that spevestor was Kobe Steel's \$100 million offering of five-year bonds at 7.625 percent. The bonds traded

> But with the dollar gyrating over est interest was centered on three

> late Friday well inside their fees at

sury secretary, that a weaker dollar avian Airline Systems offered \$100

had not been a Reagan administra-tion goal over the past year.

The only issues you can sell in 1.79 Deutsche mark to the dollar, this market are either currency with an expiration date of Febru-

> The bonds yield 6.75 percent and the package was priced at 1091/2. Within an hour of the announce ment, the dollar had risen above the exercise price in the bonds.

By the end of the day, the SAS issue was quoted by brokers at a discount of about 14, well within its total fees of 11/4.

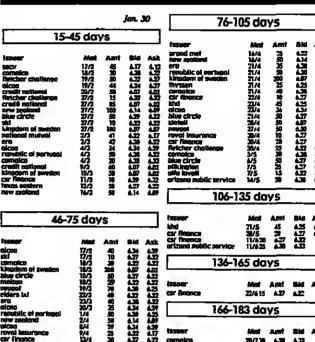
The two other issues, on behalf of Kansaltis Osake Pankke of Fin-land and Banque Paribas, were pure currency plays. The warrants have no underlying security of ci-

Six Banks Fail in U.S.,

WASHINGTON — Six small banks, one each in Oklahoma, Missouri and Indiana and three in Texas, have been closed by U.S. regula-tors, raising the number of bank failures so far this year to 17, the Federal Deposit Insurance Corp. reported Friday.

All six were closed Thursday. The largest, the Mootgomery County Bank, N.A., of The Woodlands, a Houston suburb, had \$45.4 million in assets. Texas led the nation in bank closings in 1986, suf-fering 26 of 138 failures nationwide. If the pace of failures continues, 1987 would be a record year for closings of U.S. banks.

Euro-Commercial Paper





Via The Associated Press Div, Ytd. 100; High Low 6 F.M. Chipt

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filtrence, they may make a surrepconfusing tangle with the Bolles.

Some are said to sleep with the letts and Betts [a shoe store], and accreditation, and a crinkled and sty a pair of the imitation deckies. stained accreditation card around

Murray May Have Won First Skirmish in Cup Battle of Gamesmanship By substituting the older boat, which looks identical to Kookaburra III above the water-FREMANTLE, Australia - In the games both at sea and asnore man Jennay's Kooka-Stars & Stripes team and Iain Murray's Kooka-III crew have played leading up to Saturline, the Australians might have been able to distort Conner's assessments. The switch also could have given the Australians more time in burra III crew have played leading up to Satur-day's opening race of the America's Cup series, the boat shed to work on changes to Kookaburthe Koo'aburras

point.

According to a source close to the Kookabursyndicate, Taskforce '87, the Australians
during speed testing last week

ra III. Chris Dickson, the skipper of New Zealand, said Thursday that his team had checked to make sure it wasn't sailing against Kookaburra II, but had never thought to watch out for Kookaburra I. "That would be a perfect trick," Dickson said.

Grant Donovan, a spokesman for the Kookaburra team, said that he knew of no substitution. But he did concede that the two Kookaburra boats are identical enough above the waterline to carry off the ploy, and added: "We could do something like that. We're not beyond doing something like that. But not on this

Murray refused to comment. From all reports the Kookaburra, whichever it was, ap-peared a bit faster upwind than New Zealand and a bit slower downwind. But the boats were not racing and Dickson indicated that his crew

was not trying very hard. Taskforce '87 has switched boats in the past. Before the defense trials began last October, the syndicate substituted Kookaburra 1 for Kookaburra III in practice racing against another of its boats and oever denied news reports that it was Kookaburra III.

Conner has taken every opportunity to learn about Kookaburra III, a boat he has never raced against, and Murray has shown a similar interest in watching Conner. This week, neither has seemed overly confident, because the key to the games the two will play on the water is in the weather.

Tom Whidden, Conner's tactician, said 20 knots of wind would best suit Stars & Stripes. Mike Fletcher, sailing coach for Kookaburra, would like 12 knots, but has said that his crew can live with anything up to 18 knots. At that point, the Kookaburra team would be concerned about the speed potential of Stars & Stripes, which, during the last four months of trial racing, has proved to be a high performer in brisk winds.

"We'll probably take it easy at the start on the first day," Fletcher said. "Our tactics in the series will depend on the results of that first half-mile (800 meters), the first five minotes of the race. We'll know then whether we're faster or slower than Stars & Stripes. As soon as we get that result, our tactician will be ready to say, This is what we do next."

crucial first encounter. If the winds are blustery, fourth and fifth legs form a triangle to the wind, he said, Stars & Stripes will follow the pattern set and are referred to as reaches, where the wind during the last four months.

The strategy is referred to by Conner's team as the "Amy Vanderbilt start." It is a traditional timed start, perfected by Harold Vanderbilt during cup matches in the 1930s. Conner's crew renamed it to suit their particular style, which is to sail away from the starting line until the time is such that they can sail back up to the line and

cross it the split second the starting gun goes off.
The Kookaburra team, which uses Peter Gilmour as starting belmsman, tends to engage the other boat, circling in a traditional match-racing manicuver until Gilmour can get his boat on the opponent's stern. The position is favored because yacht racing rules prevent the lead boat from tacking or jibing in the way of the boat on

Fletcher expects the initial encounter Saturday to affect strategy for the rest of the best-ofseven series. If Stars & Stripes takes an early lead, it can be expected that Conner will main-tain the lead by keeping a loose cover to block Kookaburra III's wind as the Australians sail

Stars & Stripes is generally considered to have an edge in the four upwind legs of the

Whidden has taken a broader view of that course: the first, third, sixth and eighth, The passes across the beam of the boat. Speeds there are likely to be fairly even. Kookaburra's strengths are in sailing downwind, the second and seventh legs of the 24-mile (38.7-kilometer)

> Both teams have been working hard to develop the new balloon jib, a large, spinnaker-like sail that is favored for the reaches. For downwind speed, Conner may try his "Dolly" sail, a parachute-like spinnaker that Stars & Stripes acquired from the New York Yacht Clnb's unsuccessful America II.

> As was New Zealand, Kookaburra III is expected to be quicker in tacking than Stars & Stripes. Knowing that, Whidden said, Stars & Stripes would try to capitalize on straight-line

If the winds are light, anything under 16 knots, Stars & Stripes may have to work harder at tactics to outwit the Australians. "I hope we don't start our first race in 14 knots of wind," said Whidden. "If we do, we will have to be

"We know we're in the ball park," said Fletcher of his boat's comparative speed with

"But anyone who says they know which boat is faster is fooling himself," he added. "You just have no way of knowing at this point who is going to be faster."

■ Bond Sells Boats, to Aid Japanese

Alan Bond, who won the America's Cup for Australia in 1983, said Friday he would give the Japanese about \$1.3 million to help them attempt to win the cup in 1990, The Associated Press reported from Fremantle.

Bond, the Perth millionaire who became a national hero for bringing the cup to Australia. said "it will encourage the sport of 12-meter racing to bring Japan up to the status of a viable contender." He added that "we want to sell our beer there, so there is a commercial reason as

He owns the Swan brewery in Perth. His disclosure of financial aid came at the announcement confirming a common rumor that he would sell his two cup racers, Australia III and IV, to the Japanese. The huyer, for \$7.5 million, was Masakazu Kobayashi, a businessman and vachtsman.

Asked if this meant he would no longer be a cup contestant, Bond, who has raced for the trophy five times, replied, "Yes, in all probabili-

Hess Wins Gold Medal

Yup, That'll Be a Cuppie It Has a Hangover, but Is Unsalted

By Stewart Slavin FREMANTLE, Australia — FREMANTLE, Australia only tours from

By Barbara Lloyd New York Times Service

switched boats during speed testing last week with New Zealand, the boat Couner beat to

ica's Cup - the tests were made with Kooka-

burna I, the syndicate's oldest and presumably

from a distance with Stars & Stripes. He also

with which to measure the speed of Kookabur-

become the challenger. Instead of pacing with Kookabura III — which will defend the America Com — the tests were made with Kooka-

slowest 12-meter.

They are easily spotted on the streets of Fremantle, wearing expensive French sunglasses which consider the standard necks on their tanned necks on black corded chains. Their feet are adorned with trendy deckshoes, Anchor, according to Broadfield. panging in color from tan to rasp-bery, that have never felt the splash of Indian Ocean water.

They swap syndicate T-shirts -French Kiss and the Gucci-designed wear of Italia are favored — Mark. The bar features 11 high-and wear slick plastic visors to fur-octane "boutique" beers especially ther shade the sun.

Some Coppies bear a resemblance to circus clowns with garish, pastelcolored zinc creams of pink, green, yellow and blue smeared on lips and noses, ostensibly to ward off sunburn. Around town, Cuppies ride mopeds and bicycles.

Few Coppies are willing to admit I the I' fee I' let l' l'et l'appo their new social status. In fact, when the national Australian Broadcasting Corp. did a television eport on Cuppies, two young wom-a threatened a lawsuit because they pictured in the company of succes, the bulking football-playhe crewmen who turn the winch-

Like most sports, you can't tell pie Julie Paulish, 26, of Washington, be players without a program and D.C., who berrowed \$1,500 for a pupiles are no exception. Rob two and one half week visit. "It's on America's Cup yachts.

Chaptes are between 18 and 30 always cobwebs to clear away of age and would never been

their deckies. The white rime that sweats from a yachtie'a deckshoe only comes from the constant

"Obviously Cuppies oever get their boat shoes near salt water." In their spare time, the "in" Cuppies drink at Fremantle's Norfolk Hotel, while "Cuppies-rising" quench their thirst at the Sail and

"The Cuppies go to the Norfolk to hang out with the crews, but they come here to get smashed," said a bartender at the Sail and Anchor, who would only give his name as octane "boutique" beers especially brewed for the pub.

Cuppies come in here and have three pints of Dog Bolter beer for \$8. They leave with only half a brain — that's enjoyment," Mark said, "American Cuppies are much nicer and quieter than the Australians and not brash and loud like you read about." For those who want a souvenir

silversmith Conrad Chambers sells hand-beaten silver replicas of the 135-year-old mug for \$600. His shop also features foot-long (30.5 centimeter) silver replicas of cup defender Kookaburra III, detailed to its winged-keel, for \$1,600.

in manager of local radio been a withering pace with parties 6KY, provided some help in nearly every night until 2 AM. I've never been hung over, but there's Even the 3,000-member Ameri-

dead without their Bolle sundered dead without their acts of dead without their acts. *Cuppies buy Timberland or creditation passes hanging around perry deckaboes. In cases of lesser their necks, sometimes creating a

"Some are said to sleep with their ave those tell-tale salt stains on taken their daily shower with it on. incidentally. Cuppies oever the neck means they've probably



Villagers of the Valais area, distinctive by their traditional dress and pipes, watched countrywoman Erika Hess triumph.

Top Indy Rookie Sought by Police

BENTON, Illinois - A arrest warrant has been issued for racecar driver Randy Lanier, the 1986 Indianapolis 500 rookie of the year, after his indictment with ine others on drug charges

The Associated Press

The six-count federal grand jury indictment alleges that Lanier, 32, engaged "in an enterprise to distribute" more than 1,000 pounds (453 kilograms) of marijuana over a six-year period. Assistant U.S. Attorney Michael Carr said Thursday the drug smuggling took place in southern Illinois, Kentucky, Florida, California, West Virginin, Louisiana and elsewhere.

NHL Standings

Red Sox Sign Boggs for \$5 Million; 11 Other Players Quit Arbitration

NEW YORK - Wade Boggs, the last year but gained an arbitration- while the Royals offered \$550,000. Boston Red Sox's three-time batting record \$1.35 million salary neverthe-champion, and 11 other major less. Two years ago, an arbitrator league beseball players settled their awarded him \$1 million. This year, San Diego (\$500.000), Terry

ings each year. The contract is the second biggest over given a Red Sox player, the biggest being Jim Rice's four-year, \$9 million package.

Of the 11 other players who reached agreement. Bud Black of Kansas City received the biggest sal-ary, \$600,000, which was a \$45,000

career average, lost in arbitration sought the same salary as last year. Other players who agreed to oew contracts were Craig Lefferts of salary arbitration cases Thursday.

A source familiar with the negotiwith a .357 mark, he submitted a lio Guante (\$425,000) and Charlie ations between Boggs and the Red figure of \$1.85 million and the Red Hudson (\$305,000) of the New

Sox said they had agreed on a three- Sox went in at \$1.6 million. The York Yankees. Keith Atherton of year contract for salaries just under \$\text{solution} \text{ average annual salary of the three-} \text{ Minnesota (\$300,000), Bob Kear-} \text{ solution} \text{ average annual salary of the three-} \text{ Minnesota (\$300,000), Bob Kear-} \text{ average annual salary of the three-} \text{ minnesota (\$300,000) and Mike Morgan (\$170,000) of Seattle, John Shelby} (\$300,000) and Brad Havens (\$165,000) of Baltimore and Chris Codiroli of Oakland (\$295,000).

The original arbitration list of 109 Boggs, 28, a third baseman going cut from last season. Black, who had players has shrunk to 65. The into his sixth season with a .352 a 5-10 record with nine saves, had cases are to be argued Monday. cut from last season. Black, who had players has shrunk to 65. The first

Caldwell Leads Former Crosby By 1 Shot After First Round

the golf tournament only because and a two-year non-winning streak. he received a sponsor's exemption, shot a no-bogey, five-under-par 67 cluded Pryne Stewart, John Ma-Thursday for a one-shot lead after haffey, Dan Pohl, Willie Wood, jumps. the first round of the Pebble Beach Roger Maltbie, Bill Sander, Isao But I National Pro-Am.

Former British Open champion Sandy Lyle of Scotland, Lanny Wadkins, Tom Byrum and John he hit his approach into an unpla Adams shot 68. Wadkins and Lyle able he and made double bogey. played at Spyglass Hill, probably the most difficult of the three courses on the Monterey Peninsula, while Adams and Byrum played at Pebble Beach in the chilly breeze. Tom Watson, twice a winner of

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LONDON

The Associated Press

PEBBLE BEACH, California — this old tournament, formerly known as "The Crosby," shot 69 at Cypress Point as he attempted to The group at three-under-par in-Aoki of Japan, Ken Green and

he hit his approach into an unplay-

Richard Zokol of Canada. Stewart had shared the lead until

PGA champion Bob Tway, who started his round with a 7. British

In Combined Skiing; **McKinney Gets Bronze**

By Piero Valsecchi

CRANS-MONTANA, Switzerland - Erika Hess won her third consecutive gold medal Friday in the women's combined event at the Alpine Ski World Championships, as the Swiss star made a quick but careful ruo in the downhill portion of the competition. Sylvia Eder of Austria posted the

and won her second straight salver medal, while Tamara McKinney of the United States again took the bronze after having won Thursday's slalom portion of the competition. Hess, who finished third in the slalom, rocketed out of the chute and was almost two-tenths of a second ahead of pacesetter Michela Figini's times on the upper part of the 2,032-meter (2,208-yard) Mont Lachanx course.

But Hess, who has improved dramatically as a downhiller this season, knew that oot only was she faster than McKinney, who has raced in just one World Cup downhill this season, but that the combined scoring formula gave added weight to downhill results.

So Hess let up and midway down she was a quarter-second behind teammate Figini's pace. Hess fin-ished in 1 minute, 25.14 seconds, good for third in the race and No. 1 in the combined standings.

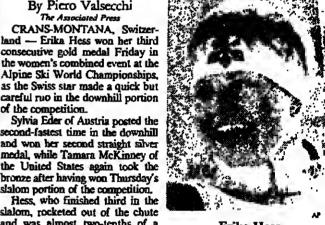
McKinney was timed in 1:26.35, 12th fastest, which left her with 24.41 points under the formula, compared with Hess's 15.32 and Eder's 18.66. Vreai Schenider of Switzerland, second in the slalom, finished fourth at 36.49. The low score wins the gold.

Eder, fifth after the slalom, had the second-fastest downhill time, 1:24.81. Figini was first, at 1:24.60. "I was confident but I did not feel victory was in my pocket until McKinney came down," said Hess. The men's downhill was to be beld Saturday, and their combined competition completed with the downhill portion Sunday. Those two races should have one of skiing's superstars, Marc Girardelli

of Luxembourg, in the lineup. Girardelli dislocated his left shoulder for the third time this season in training runs Thursday. He was back on the mountain for practice Friday, and said "the shoulder's O.K. 1 hope it holds oo

But Richard Steadam, the chief orthopedic surgeon for the U.S. Ski Team, who worked on Girardelli's shoulder Thursday, said surgery would be necessary, probably after the season.

However, Steadam added, if the shoulder is reinjured, Girardelli Open champion Greg Norman of might decide to end his season ear-Australia, Jack Nicklaus and Lee ly and undergo surgery immediatemight decide to end his season ear-Trevino each shot par 72. Defending by at the doctor's clinic in Lake



Erika Hess

Event Unloved By Most Skiers

CRANS-MONTANA, Switzerland - The combined competition, a hybrid event invented for the World Cup, has few admirers at the Alpine Ski World Championships, But television networks looking to stretch programming, sponsors

seeking extra advertising opportuspeciality do have a fondness for it. The combined is a mix of slalom and a downhill that has been described as a television race, run oo courses that are always easier than those for standard downhill or slalom races, ft made its world championship debut in 1982 at Schladming, Austria, and is scheduled for next year's Olympics in Calgary,

"I doo't like it much," said Heinz Krecek of West Germany, who oversees the women's World Cup circuit. "The men hate it. The womon have a little fun, but for most it's just a little practice."

Alberta, Canada - partly because

of television pressure for more

"Only five or six skiers are really trying for the medals," said Alan Stewart, a British ski team official.
"Downhillers ski the slalom just to finish and to stay in the running. The same works in reverse."

That was demonstrated Thursday, when Liisa Savijarvi of Cana-da missed the second gate on the first slalom run, lost a ski and spent 50 seconds putting it back on with help from a gatekeeper. Then she skied down slowly, simply to make sure of recording a finishing time. No matter that her two-run total

of 2 minutes, 26.07 seconds was almost twice that of the winner Tamara McKinney. Savijarvi staved in contention to compete Friday in her true race, the downhill. In that race she finished eighth, for 30th place overall.

SCOREBOARD

Basketball NBA Standings EASTERN CONFERENCE Altertic Division W L Pct. GS

WESTERN COMPERENCE

Pocific Division 31 10 347 — 24 19 578 8 22 19 548 9% 10 23 22 511 11 19 25 432 1492 4 34 1412 2492

THURSDAY'S ERSULTS

10 27 11 85-- 97 23 25 25 21-102 Inverse State of Section 20 Page 12 Pa

diversine 21 27 21 29—77
system

22 27 26 24—43
Cummings 10-22 5-4 25, Sixma 9-20 4-6 20;
Intervals 11-17 7-11 27, McCray 5-8 4-6 14, ReAcods: Afficulties 36 (Sixma 12): Housdon 47
sampson 11), Assists: Afficulties 22 (Lucas
) Housdon 27 (Laquell 91.

(All Crass-Monitors, Switzerland)
MOMEN'S COMBINEO DOWNNILL
1, Alichelo Figini, Switzerland, 1:2440

Abbirro 14-20 6-4 36, Blockman 8-18 2-2 15. Strempt 2-14 4-4 18; Lever 11-20 2-4 2-6, En-lah 6-19-4 16. Rebounds: Dollos 52 (Torpley); Denver 45 (Lever 14), Austria: Dollos 36 terner 121; Denver 27 (Lever 10)... 29 23 34 28—134

Antonia 25 26 27 32—115
Princes 27 22—107
Perinces 21 19 27 28—107
Perinces 22 19 27 28—107
Perinces 21 19 27 28—107
P

U.S. College Results

Beston U. 95. Niegoro 82
Contitue 67. Moine 55
Georae Wostkington 75. Reade Laland 71
Holy Cross 57. New Homeshire 54
Manhatton 77. Kings Point 72
Morghatt 104, VMI 97
61. Biotechapter 54. Alexandria 29 SOUTH Dovidson 24, W. Carolina Georgia Tech 75, Duke 46 Mississippi 76, Kantura

Ippl 76, Kentucky 45 90 \$7, Furmon 44 Cincinnett 75, Xuster, Chie 73
Dayton 66, Loyala, 111, 64
Illinets St. 52, Drake 50
Iowa 89, Michigan St. 73
Michigan 92, Minnesoha 65
Notre Dame 58, Marquette 48
Teacher 37, Othin 52 Purdue 75, Ohio St. 73 S. 11/100/s 70, Indiana St. 40

SOUTHWEST SOUTHWEST
E. Texos St. 77. Texos A&I &I
Louisiano Tech SS. Lower SI
Okianema B2. Iawa SI. 76
Tutso 72. Creishilan SI
FAR WEST
Arizona B2. Arizona St. 67
Colorado St. 57. U101 SI Nev.-Los Vegas 114, Cal-Irvine 103

Washington 95 UCLA 87 Skiing

Oregon St. 71. Stanford 57
Portland 79, Santa Clora 40
San Diego 82, Loyela, Calif. 48
Southern Cal 44, Washington 81

(At Crass-Montane, Suffzerland)
WOMEN'S COMBINEO DOWNNILL
1. Alichela Figini, Suffzerland, 1:2440
2. Sytvia Eder, Austria, 1:2441
3. Erika Ness, Switzerland, 1:25.14 3. Eried reas: seniorism inches
4. Brighth Certil, Switzerland, 1:25.11
5. Korin Dedler, West Germany, 1:25.76
6. Karrin Slotz, West Germany, 1:25.97
7. Christine Moler, West Germany, 1:36.16
8. Lisa Sayljarvi, Canada, 1:26.19 3. Like Savijarvi, Cenada, 1:26.19
9 Notelio Belosludeva, Saviet Union, and
Anito Wachter, Austria, 1:26.25
11. Karen Percy, Comada, 1:26.25
12. Tomoro McKinesy, U.S., 1:26.25
13. Vresi Schneider, Switzarrand, 1:26.72
14. Claudine Emonet, Franca, 1:26.81
15. Michaela Morzela, Italy, 1:26.95
FINAL COMBINED STANOINGS
1. Hoss, 13.22 voints, said medai
2. Eder, 18.66, silvet
3. McKinney, 24.41, bronze
4. Schneider, 26.49

Hockey

WALES CONFERENCE
Patrick Division
W L T pts GF GA

Selotik: 34 13 4 72 218 143
plonsform 21 24 7 47 146 179
kongers 19 23 8 44 179 200
korgers 19 23 8 44 179 200
korgers 19 23 8 45 185 224
Adomas Division
Lord 24 19 6 58 147 145
resci 26 22 7 57 129 149
pri 25 20 8 35 183 157
mac 19 25 7 45 146 147
ploid 14 36 6 34 144 179
CAMPBELL CONFERENCE
Nerris Division

Nestio 22 21 6 50 171 180

CAMPBELL CONFERENCE
Nerris Division

Nestio 22 21 6 50 171 180

Nestio 22 21 6 50 171 180 Bostoe 8 2 1—3 Gayta 2 (15), Turbean 2 (5), Mursya (8), Evenan (15); McCorthy (23), Gradin (10), Miller (1). Shots on each: Hartford (on Ran-

St. Losts

Evers (3), Lamieux (7), Humber (24), Poslowaki (15); Thomas (21), Clork (25), Shels on
goal: Toronto (on Millen) 9-14-12-37; St.
Louis (on Bester) 14-15-11-40,
Milaeson 2 1 8 8-2
Colpany 2 8 1 8-3 Bellowe | 151. Ciccarelli 2 | 1371; Patterson (4), Audian (30), Reinhart (12), She's on soal: Missasota (on Lemelin) 16-11-4-1-22; Calus-ry (on 1702ko) 14-14-5-40.

Philadelphile I 4 4-3 Sechrotes III, Croven 2 (14), Paulin (15), Tocchet (19); Ruskowski (10), Lemieux (33), Lindstrom (4), Shets as soal; Pittaburgh (on Haxhall) 4-15-(3-34; Philadelphila (on Guen-

America's Cup

(Al Frementie, Australia)
FINALS
Storage, Jos. 21
Stora & Striess, Dennis Conner, vs. K
burro 111, tola Marray
Sunday, Feb. 1 Feb. 2 Stors & Stripes vs. Kookeburro III
Feb. 2
Stors & Stripes vs. Kookeburro III
Feb. 4
x-Stors & Stripes vs. Kookeburro III x-Sters & Stripes vs. Kookeburre III Feb. 6

Transition

BASEBALL SEATTLE—Agreed to forms with Steve Firewijd, bitcher; Rich Renterto, britisher, and John Mossoni Dave Hongel, outfielders, on one-year contracts.

TEXAS—Reached on agreement with Scott Bellotte, and the statement of the scott fire the statement with Scott Bellotte. Fletcher, shortstop, on two-year contract. TORONTO—Signed Offis Green, outfielder,

MONTERAL—Signed Andy McGoffson, pitcher, to one-year contract. Signed George Wright, exifielder, to one-year minor-league entract. Named George Somberser minor-league elitching consultant.

NEW YORK—Named Bob Gudik sout. In-vited Tom Sums, Terry Leach, Tom McCorliny, Bob Suchanan, pitchers; Gres Obsen, cotcher, and Al Pedrique, infielder, to sprine training.

SAN FRANCISCO—Signed Eddle Milner. BASKETBALL

BASKETBALL

BASKETBALL

BASKETBALL

BASKETBALL

Signed Party Variant gound, to Bedry confront

LA CLIPPERS—Traded Kurf Mimphies,
forward-cauter, to Detroit for first and second-round selections in the 1997 draft.

FOOTBALL Consider Football La Cassader Feoreta Leges

MONTREAL—Normed Mibre Feoretail runnins back and receiver coach; Bob Swith offensive time coach; Kevin Offentie defamilies soonders coach; Andell Wissanti finebacker
coach, and Monte Charles defansive line coach;

man, will be sidelined eight to 10 weeks.

MONTREAL—Recalled Gilles Thibu CON Hockey League.

N.Y. ISLANOE R5—Recalled Raydon Gurry. ROY, ISLAND ROYAL ROYAL COMMITTEE OF THE ROYAL ROYAL RETURNED ROYAL defensement to Springfield, American Hockey Leopus, Reserved Brisen Correct defensement.

PHILADELPHIA—Sent Brisen Dobble, PHILADELPHIA—Seri Brian Docore, risht wine, to Hershey, American Hookey Lessue, Called up Ray Alilson, risht wine. John Steyens, defendented, and Mark Preer, center, from Hershey.

PITTSBURGH—Sent Roberto Romans.

der, and Chris Dahlander states sociencer, and corn Doniques, getensemer to Bottlinere, American Hockey League. Re called Stave Goenette, socitender, from Balti COLLEGE

At ARAMA Nomed Rich Wings strengt couch and Bill McDonald Irolner.
CENTRAL CONNECTICUT STATE—
Named Alba McGlischer tooball cooch.
CORNELL—Named Paler Noyes assistant toritali cooch. EAST CAROLINA—Charlie Marrison, bas-kerboli cooch-resigned, effective of the end of The season.

EVANSVILLE—Announced that Olat Blab. Evansa incompared from Indiana.
KANSAS STATE—Announced theil Howard
Conser, center, has quil the beam.
LOUISIANA STATE—Billy Maxwell, track

and field cooch, resigned. Normed Som Seemes offine truck and field cooch, OHIO STATE—Announced the resignation of All Blanco. Soccer cooch. PITTSSURGH—Declared Brian Devis, run-

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American soldier's uniform. Georg Stefan Troller was arrested

by U.S. military police who heard him speaking German as he recit-

ed Goethe's poetry in a snowy wood. After verifying that he was an American soldier, the U.S. au-

Troller, a Viennese-born Jew

who fled Austria for the United

States in 1938 and returned with

the U.S. Army to participate in the liberation of Europe, has often faced situations in which his iden-

Identity, not only his own but

also that of postwar Vienna, is a

central theme in Troller's autobio-

graphical trilogy that the Austrian director Axel Corti has drawn on

for three films shot over the past

The three films are being shown

as an integral work under the title

"Vienne pour Memoire" during this and the next two weekends at

the Théâtre des Amandiers, in the

The final film in the trilogy, "Welcome in Vienna," opened in Paris to critical acclaim in Octo-

A low-budget film with a cast of

unknowns for the most part,

"Welcome in Vienna" provides

one of the most realistic glimpses into postwar Vienna that a non-

Troller's film was initially shot

on 16mm to be broadcast on Aus-

trian television in the fall of 1985;

it was shown in West Germany

and Switzerland in the spring of 1986. It was converted and re-

leased in France four months after

Kurt Waldheim's election to the

Austrian presidency, which roiled

debate in a nation where many

people preferred to gloss over

lomatically. He was sitting in his Paris office, where he works as a

correspondent for ZDF, the Ger-

man television network, which fi-

nanced 75 percent of "Welcome in

Vienna." The film was commis-

sioned by ORF, the Austrian tele-

Troller, a hurly, bearded man of

65, is currently writing his mem-

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"Pure chance," said Troller din-

World War II activities

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by a limo service owned by another lawmaker. Principal, 37, also announced she was ending her nineyear stint as the long-suffering Pam Ewing on "Dallas" after this season. She wants to pursue other acting roles. A Chilean opposition journalist simultaneously learned he had won an international journalism prize and been sentenced to three years' night-time police custody for slan-dering President Augusto Pinochet. Juan Pablo Cardenas, editor of An-

son City, Missouri, to urge a legis-lative committee to approve a bill that would allow people to use Medicaid funds to pay for certain kinds of arthritis medicine. The

talk by Principal, who is the nation-

al campaign chairwoman for the Arthritis Foundation, may have

helped the measure to pass by a 7-2

vote. But Representative Todd

Smith was unhappy. "We're show-

ing this thing through just because

some skinny actress in a stretch limousine comes here," he said. Principal had indeed come in a

white stretch limousine provided

PEOPLE

A Question of Class

A federal judge has thrown out a ri state legislator on the same day countersuit filed by a man found to have harassed a coach passenger "Dallas." Principal went to Jeffer-

have barassed a coach passenger trying to use the first-class bath-

room on a jetliner. Wellington Ste-phens, of New York, a first-class

passenger on a TWA flight from New York to San Francisco in

April 1985, got upset when he saw Sue Vaccare of Emeryville, Cali-

fornia, an economy-class passenger, approaching the same bath-

room he was heading for. Vaccaro,

who had been directed to first class

by a flight attendant because the

aisles in coach were blocked by

food carts, said Stephens shouted at her, using racial sturs, and

shoved her away from the bath-

room before entering. Stephens de-nied it, but a U.S. District Court

jury this month awarded Vaccaro \$5,000 for assault and battery, in-

tentional infliction of emotional

distress, slander and negligence, and \$3,000 in punitive damages. The jury rejected Stephens' countersuit claiming. Vaccaro caused him to be wrongfully arrested when the plane landed. A second countersuit claiming to be wrongfully arrested when the plane landed. A second countersuit is a second countersuit of the plane landed.

tersuit fared worse. In it, Stephens

contended his first-class ticket gave him a legal right to use the first-

class bathroom, and that Vaccaro

had trespassed on that right by ob-structing his access. U.S. District Judge Samuel Conti dismissed the

countersnit and ruled that it was

frivolous. He ordered Stephens' lawyers to pay Vaccaro \$4,980 for

her costs in defending against the

Richard Nixon's Watergate files,

sealed for more than 12 years, will be opened to public acrutiny May 4 unless objections block the release —as they have before. The Nation-

al Archives notified President Ron-

who served prison terms in the Wa-

rick Buchenen - then a speech-

countersuit

the sentence at the same moment he was told he had won the 1986 Golden Pen of Liberty Award from the International Federation of Magazine Editors. Cardenas, who has been jailed three times before, said he was sentenced to spend every night for the next three years at a local jail because of charges arising from an Analisis article published last July. п

The Duke and Duchess of York.

alisis magazine, said he learned of

who have been hunting for a home ald Reagan, Nixon and about 100 others who asked to be told, of its since their wedding last July, have decided to live in a five-bedroom plan to unseal 1.5 million pages that made up the White House Spe-cial Files. Included are those of 37 19th-century manor house in Dorset, Buckingham Palace says. Chidecock Manor in Bridport, 120 Nixon aides, including Charles W. Colson, John W. Dean, John D. Ehrlichman and H.R. Haldeman, miles southwest of London, is being lent to the royal couple hy Charles Weld, who lives in London because he finds the house too big terpate scandal aftermath, and Patfor him, palace officials said. The dake, 26-year-old Prince Andrew, writer, now the Reagan White the second son of Queen Elizabeth IL, and his wife, the former Sarah Ferguson, are expected to move be-Victoria Principal was the target forc Andrew starts naval duty at

Welcome to a Vienna Memoir

Georg Stefan Troller; a scene from "Santa Fe," the second part of his film trilogy.

oirs, which he wants to be as funny as possible. "Laughing is the internment camps in Boulogne-only way to deal with such a seri-sur-Mer. When German forces inous past," he said.

Troller grew up in Vienna's upper-class 19th district. The son of a furrier, he remembers being the only child on the street whose family owned a car. "I consciously enjoyed my childhood," he recalled wistfully, "yet, unlike most children, I knew fully well that it wouldn't last. In Vienna, you

seemed to enjoy yourself under the wing of death."

The shock of discovering in 1938 just how many of his friends, teachers and neighbors secretly belonged to the Nazi Party and to the Hitler Youth marked him deeply. Both organizations had been illegal until the Anschluss unified Austria with Germany in

March of that year. Troller's first book in the trilogy, "An Uns Glaubt Gott Nicht Mehr" (God Has Forsaken Us), which Corti adapted for film in 1981, chronicles the Anschluss and Troller's years of dodging Nazi authorities - by means of a false visa for Uruguay — through Czechoslovakia, Yugoslavia,

Hungary, Italy and France. In France, he was stripped of identity papers save a receipt from the Paris prefecture marked "14 days - renewable."

He and his family were sent to vaded France in May 1940 ("You may join your compatriots when they arrive," the camp commander announced to the prisoners), he

escaped to Marseille and reached New York in September 1941. Troller, who rarely left the city's limits, equated all of the United States with the concrete carapace of New York. "New York is beautiful — at night, or when it's blan-keted with snow," the main char-acter says in "Santa Fe," part two of the trilogy, which is about the dreams of a refugee in New York. (It wasn't until 1946 when Troller returned to New York and hitchhiked cross-country to study the-ater at the University of California at Los Angeles that he

witnessed America's green.) He eked by on \$20 a week working in a factory assembling costume jewelry. The dressing room of a tiny theater was his home, reading Goethe and Schnitzler his

chief pastime.

"People expected me to be deliriously happy. I had finally made it to America, And I was happy to have been saved. But I had been a budding intellectual in Vienna, and in New York I was living as a proletarian in a room without a window."

Army in 1943, he was denounced by a fellow recruit as Hitler's friend ("Yeah, be's my best buddy," Troller had sarcastically quipped). By 1944, however, he was back in Europe and bursting to show the Austrians the stuff he

"The war was an adventure. We had liberated Rome and had invaded France. Then slowly we came closer to Germany and Anstria, and I had to make some decisions about who I was and where I

"All I could ask was "Who am I? I still ask myself this question

Troller felt American, especial-ly in uniform. "People live in Germany or France for years and they never feel like they're natives. In America, the challenge is immediate: You ought to be American; you live here and you make your money here. This is America's strength - to make you feel like you belong."

"When I got to Austria, I thought By God! Here I am, and I'm going to show you people!'
But I then realized how much I
really loved this place. I felt as if I were part of a winning show in America, but in Vienna — well, this was me."



the black market flourished among the shambles of occupied the past seven years and get on with their lives. He was welcomed as a U.S. soldier, for the Americans were on the winning side. But out of uniform, he was merely the embodiment of a collective guilty

Troller returned to Vienna in 1949 but remained there only two months. "The decision to leave tore me in two: It was my hometown, yet I knew that I was surrounded by Nazis." He settled in Paris, where be now lives with his second wife (who is German) and his daughter.

Reactions to "Welcome to Vienna" have been mixed: It elicited a flurry of generally positive re-views in the French and West German press. It was virtually ignored in Austria.

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friend in Vienna called from Anstralia to say that he had just seen part one of the trilogy on televi-sion. He, too, had fled Austria in 1938 and relived his experience through the film. "And today, I received a letter," Troller said as he rummaged through a stack of papers on his

desk. "It's from a woman who

writes 'Do you remember me? I

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